

*WASHINGTON STATE
INVESTMENT
BOARD*

*EIGHTEENTH ANNUAL
INVESTMENT REPORT*

JUNE 30, 1999



STATE OF WASHINGTON

STATE INVESTMENT BOARD

2424 Heritage Court SW - P.O. Box 40916 - Olympia, Washington 98504-0916
(360) 664-8900 - FAX (360) 664-8912

June 30, 1999

To All Stakeholders:

I am pleased to submit the eighteenth annual report of the Washington State Investment Board (WSIB) for fiscal year 1999.

As of June 30, 1999, retirement fund assets were at an all-time high, increasing by \$4.4 billion to \$41.8 billion. The fiscal year investment return of 11.9 percent represents the fifth consecutive year of double-digit investment performance.

Combined with the self-directed defined contribution funds, the state deferred compensation program, industrial insurance (L&I) funds, permanent funds and other trusts, WSIB manages \$52.9 billion in total as of June 30, 1999.

Contributing to WSIB's strong performance this fiscal year was the continuing powerhouse U.S. equity market, plus a rebounding international equity market. The U.S. Equity portfolio returned 19.8 percent, while the Non-U.S. portfolio came back from a negative year in fiscal 1998 to post a positive return of 9.7 percent in fiscal year 1999. Fears over emerging market economies and interest rate increases during the fiscal year resulted in a modest 2.8 percent return in the Fixed Income portfolio. The Real Estate portfolio was up 8.5 percent and the Private Equity portfolio (including venture capital and buyout funds) returned 6.0 percent during the fiscal year.

During this past fiscal year, WSIB began managing two additional investment portfolios -- the Guaranteed Education Tuition (GET) Fund and the Judges' Supplemental Retirement Program. During the coming fiscal year, WSIB will begin investing the State Emergency Reserve Fund. These additions will bring the total number of separate funds managed by the WSIB to 28 during fiscal year 2000. Late in the year 2000, WSIB will begin investing the new hybrid self-directed defined contribution retirement plan, the School Employees Retirement System Plan 3.

I am pleased to take this opportunity to again thank the hard-working and dedicated board and its staff, who have worked diligently to create and implement successful investment programs for these many and varied funds under the WSIB's management.

George D. Masten, Chair





STATE OF WASHINGTON

STATE INVESTMENT BOARD

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October 22, 1999

TO: State Investment Board Stakeholders and Business Relationships

RE: Year 2000 Readiness Disclosure

The State Investment Board (SIB) has had a program in-place since mid-1998 to deal with what has become commonly known as "the year 2000 problem." We have reviewed our internal systems and the external systems and services upon which we rely to determine whether any significant risks may be presented by computer systems and related equipment which might fail to operate correctly because of the century date change. Our findings are as follows.

1. The agency's investment accounting system is operated and maintained in an external system owned by Financial Control Systems, Inc. (FCS). A representative of the state Department of Information Services and the SIB Systems and Office Services Manager reviewed the system on-site in October 1998, and agreed on a number of additional measures to be taken by FCS. All actions and system tests were completed, and the system was certified year-2000 compliant in March 1999.
2. The interface between the investment accounting system and the state's general ledger (AFRS) has been tested for Y2K compliance and found to function correctly.
3. The state's custodial bank, State Street Bank, has a major, comprehensive program in place to identify and correct or mitigate all potential problems which might result from the century change. Their contract requires year 2000 compliance by December 31, 1999. We are confident that no significant risk is posed by the bank's systems.
4. The agency's internal systems, equipment and software have been reviewed and found to be Y2K compliant. The building in which the SIB is housed and its facilities have been reviewed by the building owner and also found to be Y2K compliant.
5. All significant outside business partners have been asked to provide information about the status of their systems and to provide written assurances to the SIB



October 22, 1999

Page Two

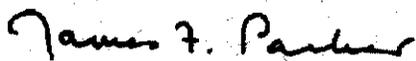
stating that they take responsibility for the operation and accuracy of their systems.

The great majority have responded and upon evaluation we conclude there is no reason to believe a material risk is posed by the information and services provided by our outside business partners.

I believe SIB staff have taken, and continue to take, all prudent measures to identify the possible sources of problems which could occur if our systems or the systems and services of our business partners should experience failures related to the century rollover. Staff have reviewed and evaluated each of the subjects listed above and, while it is not possible to be absolutely certain that no error will occur or problem arise, we believe that every warranted action has been taken to ensure reliable operation of the internal and external systems upon which we rely.

As the year 2000 quickly approaches, this effort to deal with potential computer-related problems is substantially complete from the standpoint of the Washington State Investment Board. We will continue to monitor the activities of business partners and take further action if any is needed.

Sincerely,



James F. Parker
Executive Director

The information in this message is a Year 2000 Readiness Disclosure pursuant to federal law (PL 105-217, 112 Stat. 2386).





WASHINGTON STATE INVESTMENT BOARD

Eighteenth Annual Investment Report (Part 1)

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Part 2 of the Annual Report, "Financial Statements and Schedules of Investments," is an integral part of this Annual Report. It contains detailed listings of WSIB's investment holdings.

HIGHLIGHTS OF FISCAL YEAR 1999

- Total assets managed by WSIB grew to \$52.9 billion by June 30, 1999, an increase of \$4.8 billion from June 30, 1998.
- The Retirement Funds returned 11.9% in the year ending June 30, 1998, the fifth consecutive year of double-digit investment returns.
- The Insurance Funds returned up to 7.2% in the year ending June 30, 1999.
- The Permanent Funds returned approximately 2% in the year ending June 30, 1999.
- TRS Plan 3 (defined contribution) assets grew by \$423 million in fiscal year 1999, from \$937 million to \$1.36 billion.
- State Deferred Compensation Program assets grew by \$222 million in fiscal year 1999, from just under \$1.1 billion to just over \$1.3 billion.
- In the autumn of 1998, WSIB began investing the assets of the Guaranteed Education Tuition Fund, the new prepaid college tuition plan offered by the state of Washington.
- In the autumn of 1998, WSIB began investing the assets of the Judges' Supplemental Retirement Program, a defined contribution supplemental retirement plan invested in the State Deferred Compensation Program investment options.
- In July 1999, the WSIB begins investing the State Emergency Reserve Fund.
- Beginning in the year 2000, the WSIB will serve as trustee and have full authority for the investment of the new School Employees' Retirement System Plan 3.
- WSIB received its seventh consecutive unqualified state audit (for fiscal year 1998).
- WSIB was certified Y2K compliant in March 1999, and has made significant efforts to assess and minimize risks related to external systems and services.

WASHINGTON STATE INVESTMENT BOARD

The Washington State Investment Board (WSIB) was created by statute in 1981 to "... exercise all the powers and perform all duties prescribed by law with respect to the investment of public trust and retirement funds." The law goes on to state "... the State Investment Board shall have full power to invest, reinvest, manage, contract, or sell or exchange investments acquired."

Currently, the board has management responsibility for 27 funds which are categorized as either retirement funds (defined benefit and defined contribution), deferred compensation funds, insurance funds, permanent funds, or other trust funds. The board is composed of nine voting members and five non-voting members.

Although governed by an independent board, the WSIB is part of the Executive branch of state government. As a state agency, board members and staff are required to comply with all statutory requirements and rules established for all agencies, officials, and employees in the performance of their public duties.

In order to efficiently analyze investment issues, specific areas of responsibility have been assigned to committees of the board. The committees consist of selected board members and act as extensions of the board. Their functions are to analyze investment issues under their jurisdiction in greater detail than would be possible for the full board. Recommendations are brought to the board at regular meeting dates for a full board vote.

Investment Principle

"The Board shall establish investment policies and procedures designed exclusively to maximize return at a prudent level of risk." (RCW 43.33A.110)

"The Board shall consider investments not in isolation, but in the context of the investment of the particular fund as a whole and as part of an overall investment strategy, which should incorporate risk and return objectives reasonably suited for that fund." (RCW 43.33A.140)

"The Board shall diversify the investments of the particular fund unless, because of special circumstances, the Board reasonably determines that the purposes of that fund are better served without diversifying." (RCW 43.33A.140)

Mission Statement

To invest and to manage the entrusted funds in a manner consistent with statutes, regulations, board policies and the highest standard of professional conduct for the exclusive benefit of fund beneficiaries.

WASHINGTON STATE INVESTMENT BOARD

BOARD-ESTABLISHED COMMITTEES

The board has established four committees which are appointed by the Chair and approved by the board as follows:

Administrative

This committee is responsible for organizational, personnel, budget, and legislative issues, as well as strategic asset allocation matters.

Audit

This committee oversees audit activities and nominates candidates for the nonvoting positions on the Board. In addition, the committee develops and monitors the Code of Conduct for the Board and deals with corporate governance policies and issues.

Private Markets

This committee is responsible for development of policy and structure for private market investments (real estate, venture capital, leveraged buyouts, etc.). The Private Markets Committee also reviews individual real estate transactions, partnerships, and private equity investments for recommendations to the Board.

Public Markets

This committee deals with investments in the public markets, including both debt and equity.

OUTSIDE HELP AND ADVICE

Even with a highly skilled, professional staff, the board must rely on a variety of outside experts to provide advice and counsel, as well as specific investment services. The following list includes the consultants and advisors currently utilized by the board.

Money management firms hired by the board to manage specific portions of the equity portfolio, and other assets managed by general partners in private equity and real estate, are listed on the pages describing those specific investment programs.

Legal Services

- Attorney General of Washington
- Foster, Pepper & Shefelman - Seattle, WA
- Goodwin, Procter & Hoar - Boston, MA
- Morrison & Foerster - Los Angeles, CA
- Preston, Gates & Ellis - Seattle, WA
- Song, Oswald & Mondress - Seattle, WA
- Testa Hurwitz - Boston, MA

Master Custodian

- State Street Bank - Boston, MA

Private Equity Consultant

- Brinson Partners - Chicago, IL

Real Estate Consultant

- Pension Consulting Alliance - Portland, OR

Insurance Portfolio Consultant

- Conning Asset Management - Hartford CT

Investment Accounting Data System

- Financial Control Systems - Chadds Ford, PA

General Investment Consultants

- Pension Consulting Alliance - Encino CA
- Callan Associates - Denver, CO
- R.V. Kuhns & Associates - San Fransisco, CA
- Wilshire Associates - Minneapolis, MN

BOARD MEMBERS

Ex-Officio Board Members

Michael J. Murphy	State Treasurer
John F. Charles	Director, Department of Retirement Systems
Gary Moore, Vice-Chair	Director, Department of Labor and Industries

Board Members Appointed by Governor

Patrick McElligott	Representative - Active Member, Law Enforcement Officers' and Fire Fighters' Retirement System
George Masten, Chair	Representative - Retired Member of a State Retirement System
Beverly Hermanson	Representative - Active Member, Public Employees' Retirement System

Board Member Appointed by Superintendent of Public Instruction

Tom Morris	Representative - Active Member, Teachers' Retirement System
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Board Member Appointed by Speaker of the House

Tom Huff	State Representative
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Board Member Appointed by President of the Senate

Sid Snyder	State Senator
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Non-Voting Board Members Appointed by Voting Board Members

Charles Kaminski	Investment Professional
Henry James	Investment Professional
Jerome Mathews	Investment Professional
Robert S. Nakahara	Investment Professional
Paula Treneer	Investment Professional

STATE INVESTMENT BOARD STAFF

EXECUTIVE STAFF

James F. Parker

Executive Director

Formerly General Secretary and Chief Executive Officer for the General Board of Pension and Health Benefits of the United Methodist Church headquartered in Evanston, Illinois. Graduate of University of Michigan with a BBA and Garrett-Evangelical with a M. DIV. Holds doctorate from Adrian (Michigan) College.

Christopher J. Ailman

Chief Investment Officer

Formerly eleven years as the Chief Investment Officer for the Sacramento County Employees' Retirement System and the County of Sacramento. Previously six years with Kidder Peabody and Dean Witter. Graduate of University of California at Santa Barbara in Business Economics and a Certified Financial Planner from the University of Southern California.

Helen Small

Chief Operating Officer

Seventeen years in public finance, operations, and program management. Formerly Assistant Director for Management Services with the State of Washington and various positions of Director, Deputy Director, and Assistant Administrator with the State of Oregon. Graduate of Eastern Oregon State College and a Certified Government Financial Manager from the Association of Government Accountants.

Beth Vandehey, CPA

Internal Auditor

Executive Support

Sheila Geisler,

Executive Assistant

Kristi Bromley,

Administrative Assistant for Investments

Kristi Walters,

Administrative Assistant for Operations

Kathy Markos,

Office Assistant

SENIOR INVESTMENT OFFICERS

William P. Kennett, CFA

Fixed Income

Formerly a securities analyst at the Montana Board of Investments. Graduate of the University of Montana with an MBA and a BS in Business Administration.

Ashu Rajbhandari

Private Equity

Formerly Chief Executive Officer for Premier Technology Management Sdn Bhd in Kuala Lumpur and Chief Investment Officer at Usaha Tegas Sdn Bhd also in Kuala Lumpur. Graduate of Williams College, Williamstown, Massachusetts, in Political Economy.

Nancy Calkins

Public Equity

Formerly Investment Officer for CALPERS, domestic and international external equity manager relations. Graduate with honors Master of Arts in Economics and Business Administration from California State University, Sacramento.

Jeffrey A. Habersetzer

Real Estate

Formerly worked in the real estate related fields of fee appraisal and title insurance, and as a commercial sales and leasing associate. Graduate of University of Washington in Business Administration.

STATE INVESTMENT BOARD STAFF

INVESTMENT STAFF

Investment Officers

Thomas E. Bosworth, Fixed Income
Kellie Craine, CFA, Fixed Income
David Divine, Fixed Income
Steven Draper, Real Estate
Isabelle Fowler, Public Equity
Gary Gallinger, Real Estate
Donna May Ong, CFA, Fixed Income
Toni Ritchey, Fixed Income
Tom Ruggels, Private Equity
Marisa Wulff, Program Management

OPERATIONS STAFF

Investment Accounting

Sam Green, CPA, Investment Accounting Controller
Sandra Machado, Investment Accounting Supervisor
Mike Donovan, Investment Accountant
Mimi French, Investment Accountant
Nelly Haun, Investment Accountant
Waivanne Willie-Dueber, Settlement Accountant

Business Services

Sandra Joudrey, CPA, Financial Manager
John Lynch, JD, Contracts Specialist
Doug Anderson, Chief Accountant
Kathy Butler, Administrative Assistant
Barbara Darling, Fiscal Technician
Renee Long, Financial Specialist

Management Services

Scott Huntley, Executive Analyst
Melanie Watness, Human Resource Administrator

Systems and Office Services

Jim Lee, Systems and Office Services Manager
Tom Edwards, LAN Administrator
Brad Christoffer, PC Support Specialist

Patricia Sheridan, Office Manager
Jeremy Bertrand, Office Assistant Senior
Anne Koppe, Office Assistant Senior
Suzanne Walker, Office Assistant (temp.)

Operations Support

Darlene Hermes, Management Analyst (temp.)
Beth Nail, Office Assistant Senior
Kristen Shultz, Administrative Secretary

Investment Support

Linda Buchanan, Administrative Secretary
Debbie Pickering, Office Assistant Senior
Celeste Wade, Office Assistant Senior

Staff as of September, 1999

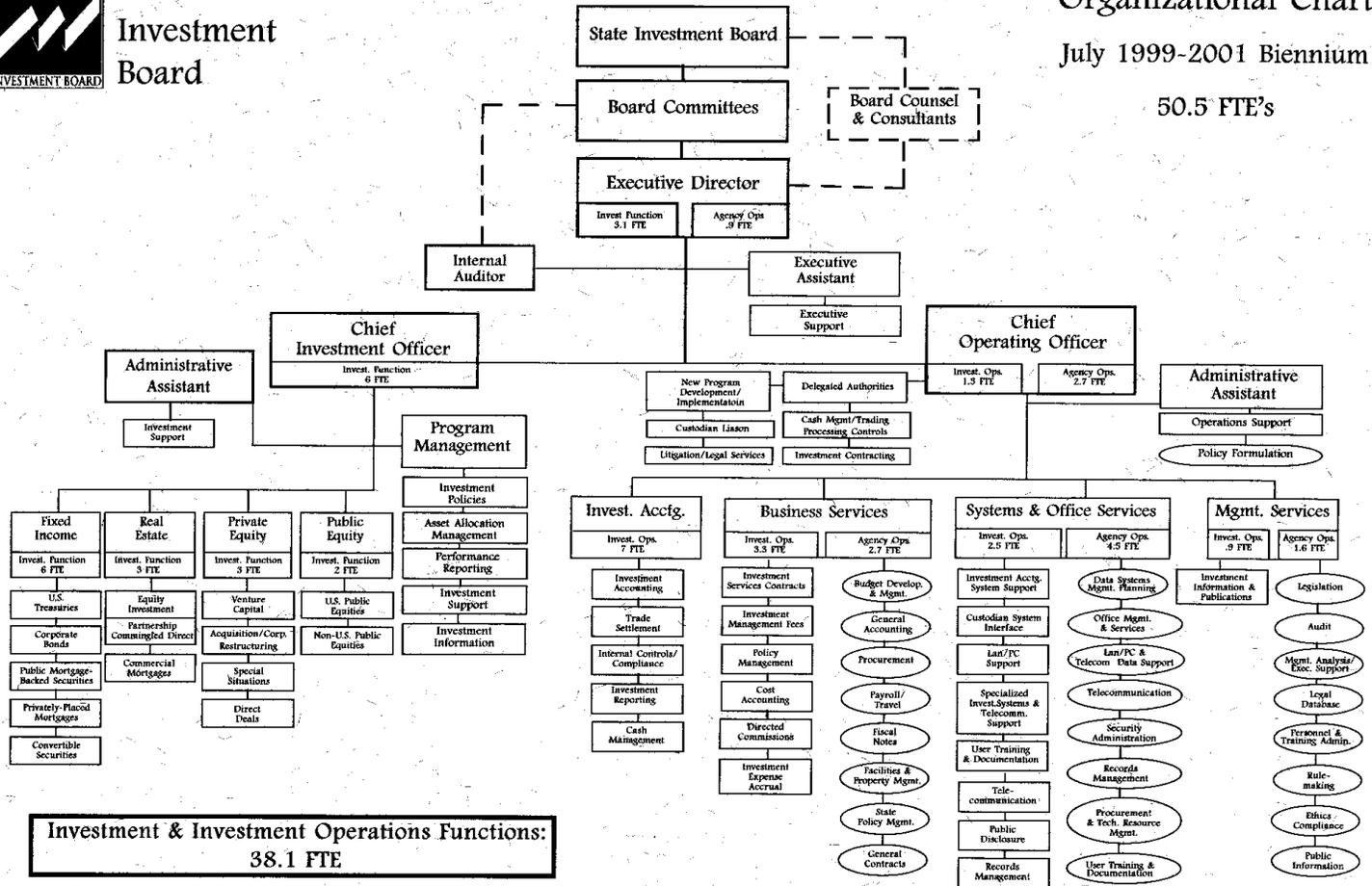


State Investment Board

Organizational Chart

July 1999-2001 Biennium

50.5 FTE's



**Investment & Investment Operations Functions:
38.1 FTE**

**Agency Operations Functions:
12.4 FTE**

INVESTMENT RESPONSIBILITY

The Washington State Investment Board has investment responsibility for the following twenty-seven funds:

RETIREMENT FUNDS

DEFINED BENEFIT

Public Employees' Retirement System (PERS) Plan 1
Public Employees' Retirement System (PERS) Plan 2
Teachers' Retirement System (TRS) Plan 1
Teachers' Retirement System (TRS) Plan 2/3
Law Enforcement Officers' & Firefighters' (LEOFF) Plan 1
Law Enforcement Officers' & Firefighters' (LEOFF) Plan 2
Judicial Retirement System
Washington State Patrol Retirement System (WSPRS)
Volunteer Firefighters' Relief & Pension Fund

DEFINED CONTRIBUTION

Teachers' Retirement System Plan 3 (Self-Directed)
Judges' Supplemental Retirement Fund

DEFERRED COMPENSATION FUNDS

State Deferred Compensation Plan

INSURANCE (LABOR & INDUSTRIES) FUNDS

Accident Fund
Medical Aid Fund
Pension Reserve Fund
Supplemental Pension Fund

PERMANENT FUNDS

Agricultural Permanent Fund
Common School Permanent Fund
Millersylvania Park Trust Fund
Normal School Permanent Fund
Scientific Permanent Fund
State University Permanent Fund

OTHER TRUSTS

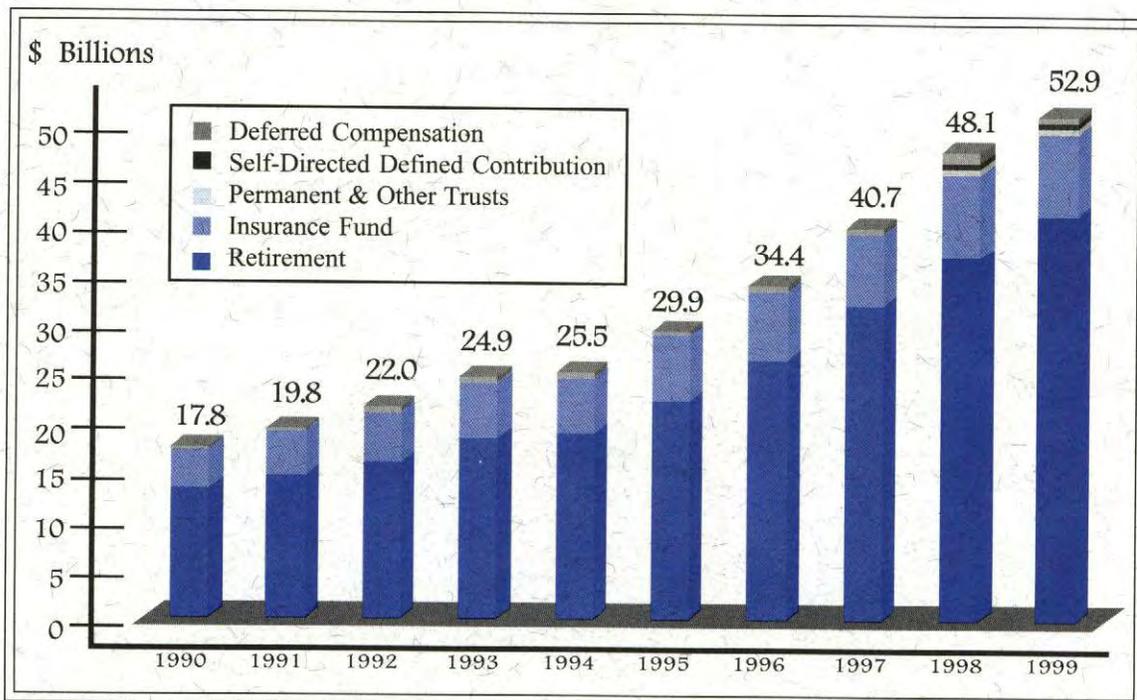
Guaranteed Education Tuition Fund
Game and Special Wildlife Fund
State Employees Insurance Reserve
Radiation Perpetual Fund
Reclamation Revolving Fund

ASSETS UNDER MANAGEMENT

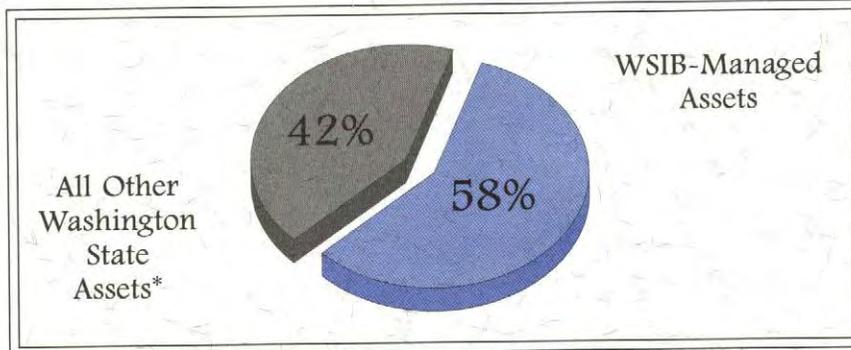
TOTAL ASSETS BY FUND June 30, 1999 (Millions)

Retirement	\$ 41,790
Self-Directed Defined Contribution	690
Deferred Compensation	1,315
Insurance Funds	8,394
Permanent Funds	607
Other Trusts	75
TOTAL	\$ 52,871

GROWTH OF ASSETS Past Ten Years Fiscal Year Ending June 30, 1999



ASSETS UNDER MANAGEMENT

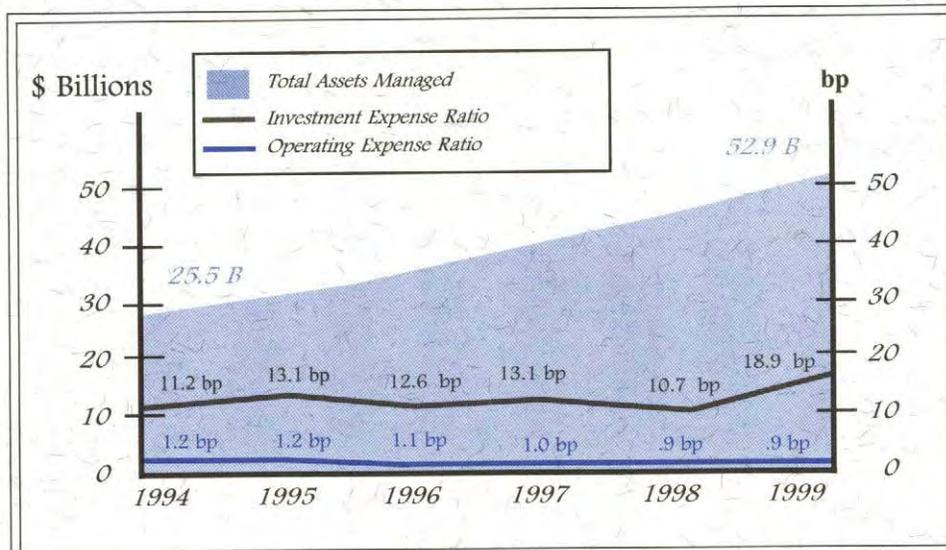


*State Assets include: cash, investments, receivables, capital facilities and capital assets - including public lands, but excluding renewable resources and infrastructure (such as roads and bridges).

WSIB COST OF MANAGEMENT (\$000)

<u>FISCAL YEAR</u>	<u>TOTAL ASSETS</u>	<u>INVESTMENT EXPENSES</u>	<u>OPERATING EXPENSES</u>	<u>TOTAL EXPENSES</u>	<u>RATIO OF ASSETS TO TOTAL COSTS</u>	<u>EXPRESSED IN BASIS POINTS</u>
1994	\$25,468,925	\$28,321	\$3,092	\$31,413	.123%	12.3bp
1995	\$29,900,075	\$39,287	\$3,664	\$42,951	.144%	14.4bp
1996	\$34,418,945	\$43,263	\$3,668	\$46,931	.136%	13.6bp
1997	\$40,654,325	\$53,288	\$4,008	\$57,296	.141%	14.1bp
1998	\$48,060,437	\$51,715	\$4,251	\$55,966	.116%	11.6bp
1999	\$52,870,989	\$100,002	\$4,922	\$104,925	.198%	19.8bp

RATIO OF ASSETS MANAGED TO TOTAL COSTS



STATE INVESTMENT BOARD BUDGET

WSIB is referred to as a "non-general fund" agency for budgetary purposes. The board receives no state tax monies; its funding comes from earnings on the assets managed. Portions of earnings are spent on appropriated and non-appropriated expenses.

THE BIENNIAL BUDGET (Appropriated Expenses)

WSIB follows the same budget process as any other state agency. The board receives a biennial (two-year) appropriation from the legislature, which covers normal department operations, including staff, facilities, equipment, supplies, etc.

The biennial budget is approved by the state legislature every odd-numbered year. The biennial budget funds WSIB from July 1 of the odd-numbered year, following passage of the state budget, to June 30 of the next odd-numbered year.

Like any other state agency, the board cannot operate in a deficit. The appropriated operating expenses are funded based on a formula established by statute whereby each fund invested by WSIB pays a share proportional to the value of the assets of the fund. WSIB's operating budget is tiny in comparison to the assets managed. Currently, the two-year operating budget is 0.020 percent of the total assets managed (\$52.9 Billion). For fiscal year 1999, the appropriated operating expenditures were \$4,922,228 or .009 percent of the total assets managed.

INVESTMENT EXPENSES (Non-Appropriated)

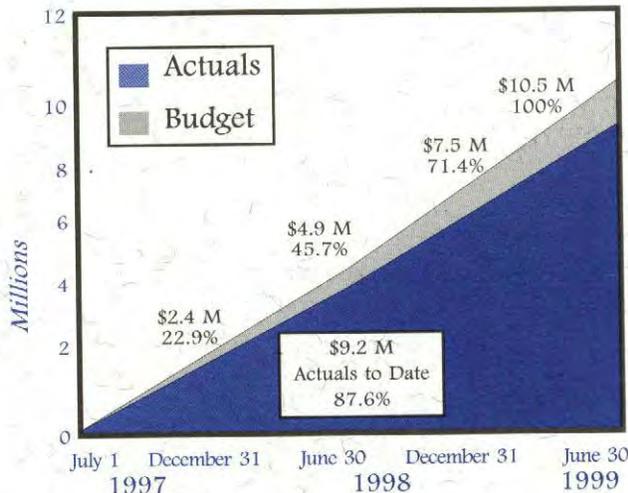
Fees and expenses associated with the management of investments typically include money manager, custodial bank, consultant, and legal fees specifically related to an investment or group of investments. These expenses are classified as non-appropriated expenditures which do not require specific legislative appropriation.

Statutory authority for these expenditures is codified in RCW 43.84.160, Investment counseling fees payable from earnings: "Investment counseling fees established by contract shall be payable from the investment earnings derived from those assets being managed by investment counsel."

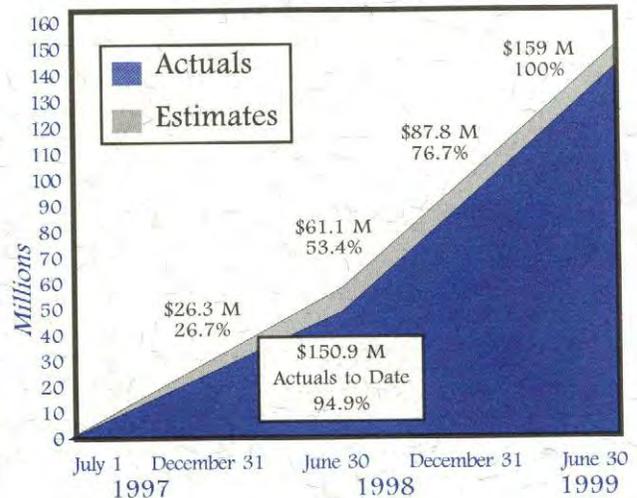
For fiscal year 1999, total non-appropriated expenditures were \$100,002,406 or .189 percent of the total assets managed.

Investment expenses in fiscal year 1999 grew due to increased private equity and real estate commitments.

**Appropriated Expenditures
as of June 30, 1999**



**Non-Appropriated Expenditures
as of June 30, 1999**



ANNUAL FINANCIAL REPORT

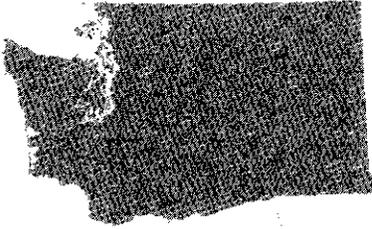
Fiscal Year Ended June 30, 1999

Accrual Basis

<u>OBJECTS OF EXPENDITURE</u>	<u>BUDGET TO DATE</u>	<u>EXPENDITURES TO DATE</u>	<u>BUDGET VARIANCE</u>
<u>Appropriated</u>			
Salaries	\$ 2,549,611	\$ 2,407,514	\$ 142,097
Benefits	586,834	540,918	45,916
Personal Services	921,410	538,674	382,736
Goods & Services	1,331,182	892,112	439,070
Travel	117,491	122,718	(5,227)
Fixed Assets	132,518	420,291	(287,773)
Interagency Reimbursements			
<i>Subtotal Appropriated</i>	<u>\$ 5,639,046</u>	<u>\$ 4,922,228</u>	<u>\$ 716,818</u>
<u>Retirement Funds</u>			
U.S. Equity		\$ 466,166	
Non-U.S. Equity		7,780,103	
Private Equity		61,364,169	
Real Estate		14,322,341	
Commercial Mortgages (Fixed Income)		319,671	
General Pension Consultants		833	
Custodian Bank Fees		1,465,965	
Securities Lending Fees		8,425,644	
<i>Total Retirement</i>		<u>\$ 94,144,892</u>	
<u>Self-Directed Defined Contribution Funds</u>			
Self-Direct Managers TRS3 Non U.S.		\$ 90,411	
Self-Direct Managers TRS3 U.S.		224,649	
<i>Total Self-Direct DC*</i>		<u>\$ 315,060</u>	
<u>Insurance Funds</u>			
Consultants		\$ 237,247	
U.S. Equity		39,274	
Custodian Bank Fees		409,150	
Securities Lending		793,351	
<i>Total L & I</i>		<u>\$ 1,479,022</u>	
<u>Deferred Compensation Funds</u>			
U.S. Equity		\$ 3,688,138	
Non-U.S. Equity		171,028	
Intermediate Bond		161,914	
FedFund (Provident)		315	
<i>Total Deferred Compensation Funds*</i>		<u>\$ 4,021,395</u>	
<u>Permanent/Other Funds</u>			
Custodian Bank Fees		\$ 8,591	
Securities Lending		33,446	
<i>Total Permanent Funds</i>		<u>\$ 42,037</u>	
<i>Subtotal Non-Appropriated</i>		<u>\$ 100,002,406</u>	
TOTAL		<u><u>\$ 104,924,634</u></u>	

*Expenses are paid by participants.

INVESTING IN WASHINGTON



While the WSIB continually seeks the best investment opportunities no matter where they might be located, the state of Washington is home to many tremendous companies that offer WSIB excellent investment opportunities. Many Washington investments can be found in all of WSIB's investment portfolios.

In the public markets (public equity and fixed income), the WSIB portfolio contains share ownership in and/or holds debt instruments issued by 120 publicly-held companies headquartered in the state of Washington. Among the many Washington companies represented in the WSIB portfolio are:

- Advanced Radio Telecom
- Alaska Air Group
- Amazon.Com
- Boeing
- Cell Therapeutics
- Costco Companies
- Cutter & Buck
- Electric Lightwave
- First Washington Bancorp
- Garden Botanika
- Go2 Net
- Immunex
- Interwest Bancorp
- Longview Fibre
- Microsoft*
- Microvision
- Nextlink Communications
- Nordstrom
- Paccar
- Pathogenesis Corp.
- Potlatch
- Puget Sound Energy
- Safeco
- Seattle Filmworks
- Shurgard Storage Centers
- Spacelabs Medical
- Starbucks
- VoiceStream Wireless
- Washington Mutual
- Weyerhaeuser

Several of the WSIB's real estate partners and managers have acquired or managed assets located in Washington. The following are some examples:

- 1551 Eastlake Avenue - Seattle
- Bellevue Galleria - Bellevue
- Columbia Technology Center - Vancouver
- Lenora Square - Seattle
- One & Two Union Square - Seattle
- Pacific Business Park North - Kent
- Southcenter Corporate Square - Seattle

The most direct impact SIB investments might have on the Washington economy is in private equity ownership. Some of the private equity portfolio companies headquartered in Washington include:

- | | |
|-----------------------------|---------------------------|
| ➤ Asterion.com | ➤ Nth Degree Software |
| ➤ Avenue A Media | ➤ Point.com |
| ➤ Bsquare Corp. | ➤ Reflex Communications |
| ➤ Captura Software | ➤ Restaurants Unlimited |
| ➤ Car Toys | ➤ Royal Oak Mines |
| ➤ Cascade Aquisition | ➤ Tegic Communications |
| ➤ Corixa Corp. | ➤ The Cobalt Group |
| ➤ Cybersafe Corp. | ➤ Therus |
| ➤ Data Channel Corp. | ➤ Tidewater Holdings |
| ➤ ESC Medical Systems | ➤ Traveling Software |
| ➤ F5 Networks | ➤ Skeltech |
| ➤ InterNAP Network Services | ➤ Spinal Dynamics Corp. |
| ➤ Leading Edge Ceramics | ➤ United Security Bancorp |
| ➤ Marketwave | ➤ Xcyte Therapies |
| ➤ Metawave Communications | ➤ Your Pet's Choice |

*Microsoft is the Retirement Funds' largest public equity holding.

RETIREMENT FUNDS

- Washington Pension System Policy Roles
- Retirement Plans
- Asset Growth
- Fund Performance
- Investment Growth and Returns
- Asset Allocation

- U.S. Equity Program
- Non-U.S. Equity Program
- Fixed Income Program
- Private Equity Program
- Real Estate Program

- Defined Contribution Retirement Plans

WASHINGTON PENSION SYSTEM POLICY ROLES

LEGISLATIVE

HOUSE APPROPRIATIONS & SENATE WAYS AND MEANS COMMITTEES

- Reviews Retirement Funding and Benefit Bills

JOINT COMMITTEE ON PENSION POLICY

- Studies Issues
- Develops Retirement Policy
- Appoints State Actuary
- Recommends Legislation

OFFICE OF STATE ACTUARY

- Performs Actuarial Services
- Advises on Pension Benefit Funding & Investment Policy
- Recommends Actuarial Assumptions and Contributions
- Staffs Joint Committee on Pension Policy

PENSION FUNDING COUNCIL

- Adopts Economic Assumptions
- Establishes Employer Contribution Rate

EXECUTIVE

GOVERNOR

- Appoints Three State Investment Board Members
- Appoints Director of Department of Retirement Systems
- Appoints Director of Department of Labor and Industries

OFFICE OF FINANCIAL MANAGEMENT

- Analyzes Impact of Retirement Legislation
- Advises Governor

OFFICE OF STATE TREASURER

- Receipt and Disbursement Agent
- Member of the Investment Board

DEPARTMENT OF RETIREMENT SYSTEMS

- Collects Contributions
- Maintains Records
- Pays Retirement Benefits
- Provides Member Services
- Member of the Investment Board

EMPLOYEE RETIREMENT BENEFITS BOARD

- Recommends Types of Investment Options for Defined Contribution Retirement Plans
- Advises Department of Retirement Systems

STATE INVESTMENT BOARD

- Trustee for all Defined Benefit and Defined Contribution Plans
- Establishes Investment Policies
- Invests & Manages Assets for Exclusive Benefit of Fund Beneficiaries
- Authorizes Self-Directed Investment Options for Defined Contribution Retirement Plans
- Monitors and Reports Investment Performance
- Accounts for Investments (Except Defined Contribution)

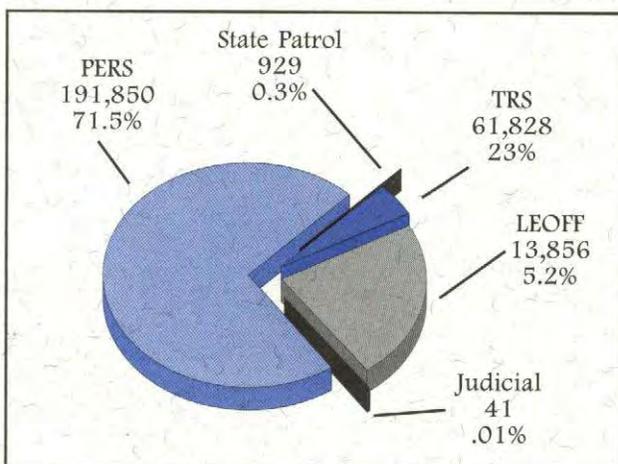
RETIREMENT PLANS

The Department of Retirement Systems (DRS) is the administrative arm of the State's multiple-employer retirement systems. Headed by a cabinet-level director, who also serves as a voting member of the WSIB, DRS administers the pension plans for state employees, teachers and classified educational employees; law enforcement officers and fire fighters; and other employees of participating political subdivisions.

The retirement system membership has grown to 381,986 members as of June 30, 1999, including 19,107 inactive members.

Trust fund revenues totaled \$5,816 million for fiscal year 1999 (including TRS Plan 3 Self-Directed). This included \$566 million in member contributions and restorations, \$843 million in employer contributions, \$80 million in General Fund contributions, and \$4,327 million in investment earnings.

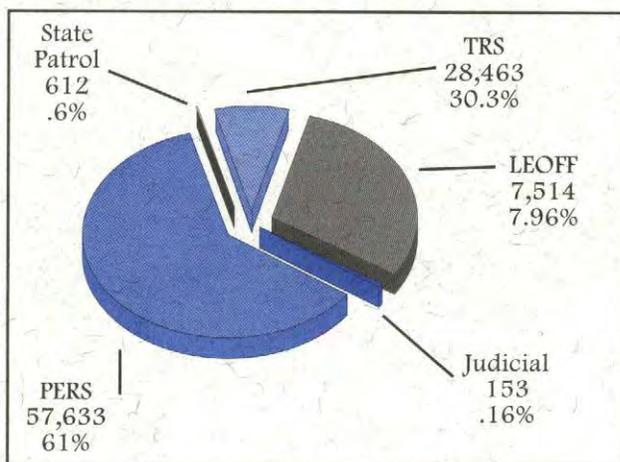
ACTIVE MEMBERS BY SYSTEM



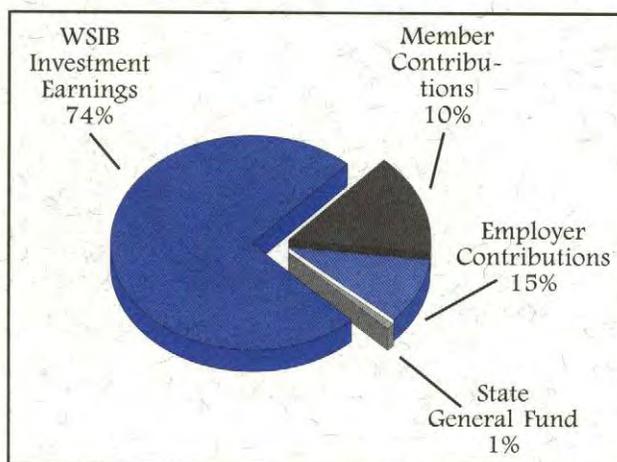
**MARKET VALUE AS OF JUNE 30, 1999
(In \$000's)**

PERS 1	\$ 10,,312,634
PERS 2	10,937,052
TRS 1	8,979,796
TRS 2/3	3,629,572
LEOFF 1	5,107,676
LEOFF 2	2,050,559
WSP	649,734
Vol FF	114,710
JUDICIAL	8,473
TOTAL	\$ 41,790,146

RETIRED MEMBERS BY SYSTEM



TRUST FUND REVENUES



ASSET GROWTH

Over the past ten years, the assets of the Retirement Funds have grown from \$12.3 billion to \$41.8 billion (as of June 30, 1999), not including TRS Plan 3 Self-Directed. This growth has three components: employer contribution, employee contribution, and investment return.

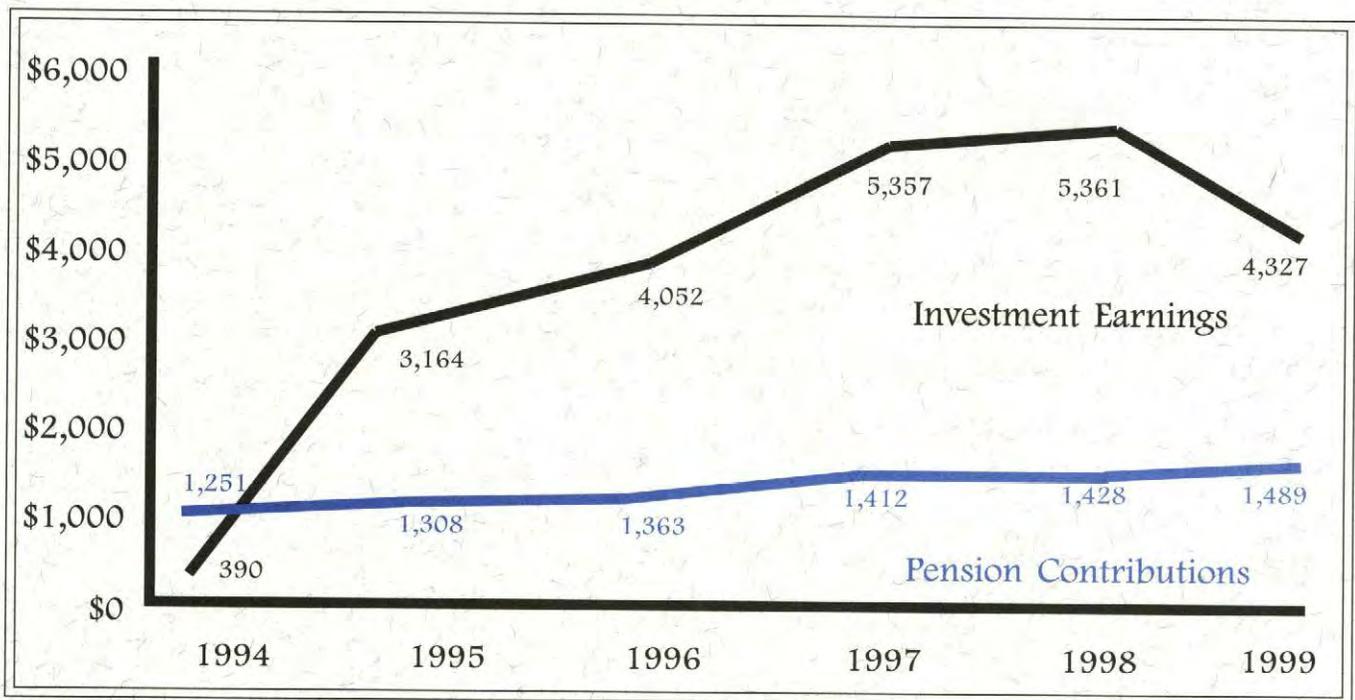
Employer contributions are driven by the obligation of the employer to fund the plan in a systematic and deliberate manner consistent with actuarial projections, existing statutes and availability of funds.

The employee contributions are the most predictable of the three components since most are statutory and less likely to change.

Investment returns are primarily the result of capital market returns and asset allocation. WSIB has no control over capital market returns; it does, however, have control over the Retirement Fund's asset allocation, investment strategies, risk-return objectives, and certain investment decisions. The asset allocation policy is regularly reviewed and revised when appropriate. (See the Asset Allocation section on page 22.)

The long-range objective is to rely largely on investment returns to fund current and future retirement liabilities.

Retirement Trust Fund Revenues
(in Millions)



Note: Investment earnings and pension contributions include Teachers' Retirement System Plan 3 Self-Directed investment. Source of pension contributions: Department of Retirement Systems. Source of investment earnings: Washington State Investment Board and Department of Retirement Systems (for TRS Plan 3 Self-Directed investment earnings).

RETIREMENT FUND PERFORMANCE

The Washington State Investment Board measures its performance by the achievement of expected returns on the assets under management, and comparisons to appropriate benchmarks.

An important part of the asset allocation policy process is to set an expectation for performance of the individual asset classes, as well as the Retirement Fund as a whole. Although returns will vary quarterly and annually, the long-term expectation should exceed the actuarially assumed rate over time.

Assets differ in their behavior and volatility. For example, since public market investments can be priced instantaneously, fair market value can be determined with certainty. However, the real estate and private equity investments are very illiquid, are not easily priced, and may take years before offering the expected return to the investor. These characteristics must be kept in mind when reviewing quarterly and annual returns.

The eight largest defined benefit retirement funds are invested through the Retirement Commingled Trust Fund (CTF). The CTF serves to pool the assets of the eight separate funds in order to provide for more efficient management and reduce administrative costs and investment fees.

RETIREMENT COMMINGLED TRUST FUND

Time-Weighted Returns

Periods Ending June 30, 1999

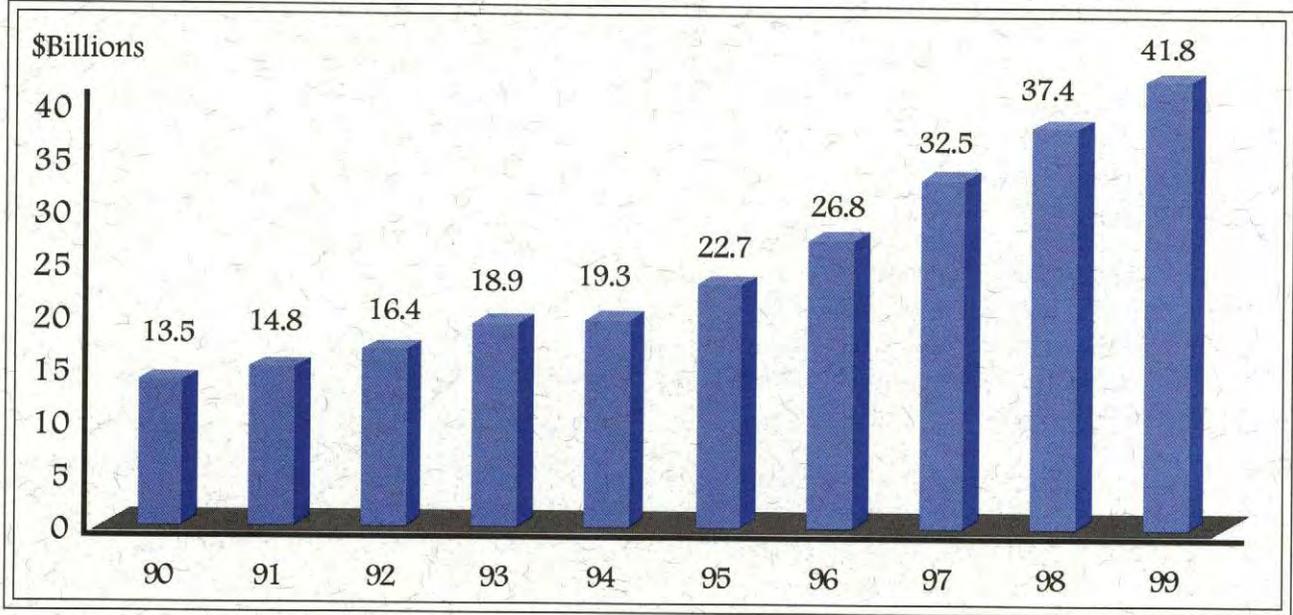
	-----Annualized-----		
	One Year	Three Years	Five Years
TOTAL FUND	11.9%	16.7%	16.1%
<i>TUCS Public Fund > \$1 B Median*</i>	10.7	15.8	15.4
<i>TUCS Public/Corporate Fund > \$1 B Median*</i>	11.1	16.4	16.7
U.S. EQUITY	19.7%	25.4%	25.4%
<i>S & P 500 Index</i>	22.8	29.1	27.9
<i>Wilshire 5000 Index</i>	19.6	25.8	25.7
FIXED INCOME	2.9%	7.4%	8.0%
<i>Lehman Aggregate Bond Index</i>	3.1	7.2	7.8
CASH	5.4%	5.6%	5.6%
<i>90 Day Treasury Bills</i>	4.9	5.3	5.4
NON-U.S. EQUITY	9.6%	5.2%	7.0%
<i>MSCI ACWI (ex U.S.) Index</i>	7.5	6.2	6.0
REAL ESTATE	8.5%	20.9%	19.7%
<i>NCREIF Property Index</i>	12.6	13.6	11.3
PRIVATE EQUITY	6.0%	22.0%	23.0%
KKR Portfolio	4.0%	22.9%	23.0%
Venture and Other Portfolio	12.0%	17.0%	22.4%

* TUCS returns have been adjusted to reflect fees equivalent to those incurred by WSIB.

INVESTMENT GROWTH AND RETURNS

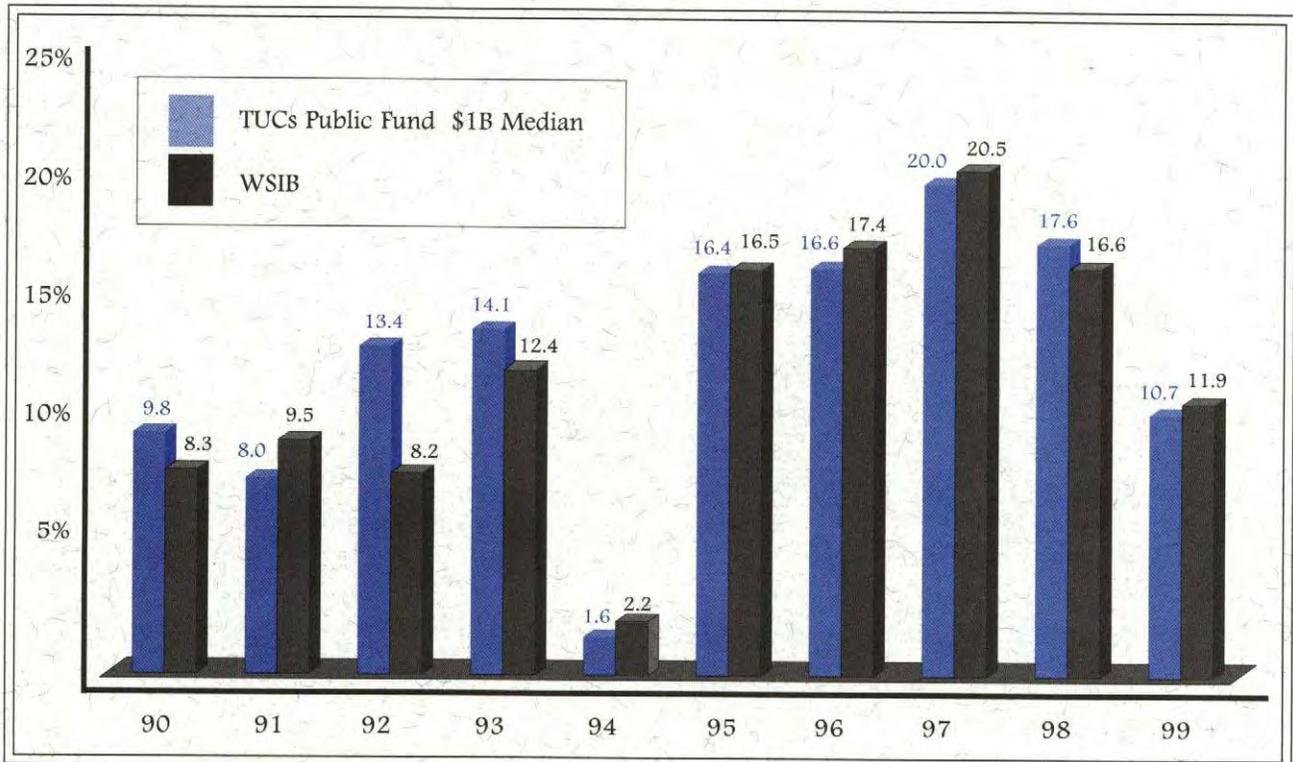
RETIREMENT FUND HISTORICAL MARKET VALUES

Fiscal years ending June 1990 to June 1999



RETIREMENT FUND HISTORICAL RATES OF RETURN

Fiscal years ending June 1990 to June 1999



ASSET ALLOCATION

Research consistently shows that a plan's asset allocation explains over ninety percent of the investment performance. Accordingly, the SIB spends considerable time and effort developing, monitoring, and adjusting the asset allocation of the retirement fund portfolio. To control the risk of the asset mix, the Board has established tight policy ranges around each asset class. By placing the fund's assets in several investment areas, the Board reduces the overall investment risk. The retirement fund is spread across five basic asset types. The following pages outline how each asset type is further diversified in line with the Board's mandate of a maximum rate of return at a prudent level of risk.

The Board has established a long-term plan based upon the average investment returns of the past half-century. The Board formally reviews the plan every three to four years. The last study was performed in late 1996. At that time, the board shifted ten percent of the assets in fixed income over to U.S. equity, private equity, and real estate. Further, the Board adopted a five-year implementation plan. At fiscal year-end, the SIB is half-way through that time line. As a result of the historic climb of the U.S. equity market, the growth of the private investment portfolio has been hidden by the growth of the U.S. equity portfolio. While the dollars invested have increased dramatically, the percentages in each asset class have not changed significantly from prior years.

The actual asset mix is monitored monthly by the Board. Staff has been directed to shift assets whenever the allocation to a particular asset class exceeds its tolerance band. As the fiscal year drew to a close, the exposure to U.S. equities slightly exceeded the range. Therefore, staff neutralized the excess exposure and began selling U.S. equities through our index manager. Both real estate and private equity have open contractual commitments to top tier investment partners that, if funded today, would place both very close to their long-term target. At June 30, 1999, private equity has open commitments of \$3.4 billion and real estate has open commitments of \$1.2 billion. It is expected that these commitments will be called over the next three years. The capital to fund these commitments will come from U.S. and non-U.S. equity and the fixed income portfolio.

RETIREMENT COMMINGLED TRUST FUND

June 30, 1999

<u>ASSET CLASS</u>	<u>ALLOCATION</u>		<u>1999 YEAR-END TARGET</u>	<u>POLICY RANGE</u>	<u>LONG-TERM POLICY TARGET</u>
	<u>IN 000'S</u>	<u>PERCENT</u>			
U.S. Equity *	\$ 18,162,305	43.5	39%	+/- 5%	36%
Fixed Income	10,971,975	26.3	28%	+/- 4%	25%
Non-U.S. Equity	6,937,994	16.6	17%	+/- 3%	15%
Private Equity	3,463,669	8.3	10%		15%
Real Estate	2,038,799	4.9	6%	-	9%
Cash	136,143	0.3	0%	0-5%	0%
Total CTF	\$ 41,710,885				
Plan Specific Investments**	\$ 79,261				
Total Retirement Funds	\$ 41,790,146				

Unallocated funds targeted for Private Equity and Real Estate are invested in U.S. Equities and Fixed Income.

* At June 30, WSIB had reduced its financial exposure to U.S. Equity by \$373 million through use of financial futures. See Note 6 in the Retirement Funds Notes to Financial Statements (Book 2).

** Plan-Specific Investments are short-term investment funds for each of the separate retirement plans.

U.S. EQUITY PROGRAM

THE PROGRAM

The U.S. Equity Portfolio is structured to capture the returns of the broad U.S. equity market. The WSIB uses a passively-managed U.S. Equity Market Index Fund to provide broad market exposure similar to the Wilshire 5000 index. This index measures the performance of all U.S. headquartered equity securities with readily available price data. Over 7,000 capitalization-weighted security returns are used to calculate the index.

As of June 30, 1998, the WSIB had nearly \$18.2 billion invested in the U.S. Equity Market Index portfolio. Approximately 78 percent of the portfolio consisted of large-capitalization, S & P 500 companies. The remaining 22 percent of the index was comprised of mid-capitalization and small-capitalization companies. Accordingly, the large-cap component of the WSIB U.S. equity portfolio totaled about \$14.2 billion, while the small/mid cap component represented nearly \$4.0 billion.

FISCAL YEAR HIGHLIGHTS

The U.S. equity markets were strong once again in fiscal year 1999. Large-cap stocks outperformed small-cap stocks during the year, as the S & P 500 Index returned 22.8 percent, while smaller stocks, as measured by the Wilshire 4500 Index, returned 10.6 percent. The return of the WSIB U.S. equity portfolio was 19.8 percent for the year, slightly above the 19.6 percent return of Wilshire 5000 Index.

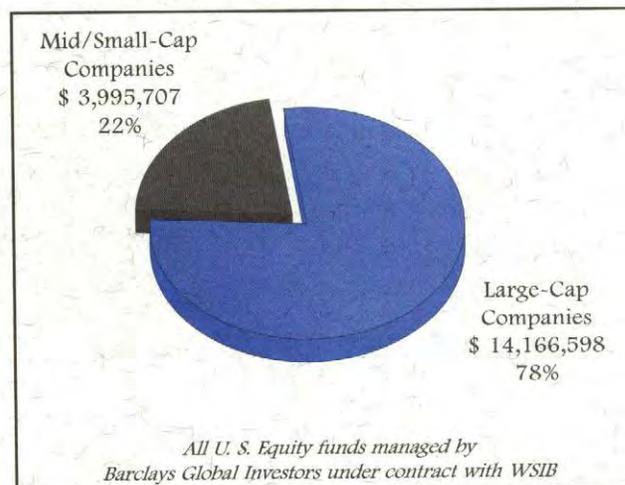
TEN LARGEST EQUITY HOLDINGS

June 30, 1999

Microsoft	\$ 579,882,590
General Electric	465,725,264
IBM	295,404,960
Wal-Mart Stores	270,389,792
Cisco Systems	260,881,768
Lucent Technologies	258,149,101
Intel	248,593,946
Exxon	235,770,681
AT&T	223,681,690
Merck & Company	219,933,946
	\$ 3,058,413,738

U. S. EQUITY PORTFOLIO

June 30, 1999
(In \$000's)



NON-U.S. EQUITY PROGRAM



THE PROGRAM

As of June 30, 1999, the non-U.S. Equity Program totaled \$6.9 billion and represented 16.6 percent of the total retirement fund.

This was a year of change for the non-U.S. equity program, which is nearing the end of an 18 month restructuring. The Board reviewed numerous issues and approved a new program structure, a new benchmark, a new active/passive mix and six new managers.

The new non-U.S. program is designed to represent both developed and emerging markets except the United States, weighted by market value. The benchmark is the Morgan Stanley Capital International (MCSI) All Country World (ACWI), excluding the U.S.

For the developed markets, the former program indexed nearly 70 percent of the assets and the structure focused on the Europe and Pacific Basin with managers investing only in the individual regions. In contrast, the new Board-approved program has a 50 percent active/50 percent passive mix. The program now has a structure that integrates all the developed international markets, using firms that manage money in Europe, Australia, and the Far East (EAFE), as well as Canada. These firms are allowed to invest up to ten percent of the assets in emerging markets as well. To implement the new direction, the Board hired six new active international equity firms: Artisan Partners, Delaware International Advisors, Dresdner RCM Global Advisors, Nicholas Applegate, Putnam Investments, and Pyrford International. For the fifty percent of the developed markets program that is indexed, State Street Global Advisors passively manages to MSCI EAFE + Canada. The majority of the asset transition to the new structure began in mid-June 1999 and was completed in mid-July.

The Emerging Markets component makes up almost 11 percent of the non-U.S. Equity Program totaling about \$726 million as of June 30, 1999. About 70 percent of the Emerging Markets component is actively managed by four firms: Genesis Asset Managers, Schroder Capital Management, Foreign & Colonial, and Grantam, Mayo, Van Otterloo & Co. In addition, State Street Global Advisors manages an emerging markets liquidity tier index fund.

FISCAL YEAR HIGHLIGHTS

The WSIB non-U.S. equity portfolio returns for fiscal year 1999 were 9.6 percent compared to the MSCI ACWI ex. U.S. index return of 7.5 percent. However, in contrast to last fiscal year, the MSCI Pacific Basin Index returns were strong (32.6 percent) while MSCI Europe Index returns were slightly negative (-0.8 percent). Emerging markets measured by the IFC Investable Index also had a good year, returning 22.1 percent.

NON-U.S. EQUITY PROGRAM

ALLOCATION TO NON-U.S. EQUITY

June 30, 1999

<u>DEVELOPED MARKETS</u>	<u>MARKET VALUE</u> <u>(IN 000'S)</u>
Active Managers	
<i>Artisan Partners</i>	\$ 250,405
<i>Delaware International</i>	950,270
<i>Dresdner RCM Global Investors</i>	723,183
<i>Nicholas Applegate</i>	155,232
<i>Putnam Investments</i>	698,404
<i>Pyrford International PLC</i>	266,671
<i>Transition</i>	829
Total Active	\$ 3,051,994
Passive Manager	
<i>State Street Global Advisors</i>	\$ 3,159,476
Total Developed Markets	\$ 6,211,470
 <u>EMERGING MARKETS</u>	
Active Emerging Markets Managers	
<i>Foreign & Colonial</i>	\$ 99,659
<i>Genesis Asset Managers</i>	189,597
<i>Grantham, Mayo, Van Otterloo & Co.</i>	107,495
<i>Schroder Capital Management</i>	114,078
Total Active Emerging Markets	\$ 510,829
Passive Manager	
<i>State Street Global Advisors</i>	\$ 215,695
Total Emerging Markets	\$ 726,524
 TOTAL NON-U.S. EQUITY	 \$ 6,937,994

FIXED INCOME PROGRAM

THE PROGRAM

Fixed income securities constitute an important component of the portfolios of most institutional investors. Several factors make these instruments attractive in a pension portfolio. Fixed income securities offer diversification from a pure equity portfolio. Less risky than equities, fixed income securities help control the overall portfolio volatility.

The WSIB domestic fixed income program is internally managed with the Lehman Aggregate Index as the performance benchmark. SIB may invest in the following fixed income instruments:

- U.S. treasuries (TSY) and government agencies (Agency)
- Investment-grade and split-rated corporate bonds (CORP)
- Publicly traded mortgage backed securities (MTG)
- Privately-placed mortgages
- Private placements of corporate debt
- Convertible securities
- Non-dollar bonds
- Asset-backed securities (ABS)
- Real estate mortgages

The fixed income management strategy is primarily one of sector selection. The portfolio is structured to be overweighted or underweighted relative to the index's major sectors: Treasuries, Agencies, Corporates, Mortgage-Backed Securities and Asset-Backed Securities. As of June 30, 1999, the portfolio was underweighted relative to the index in Governments and Mortgages, and overweighted in Corporates and Asset-Backed Securities.

Not only is the total mortgage allocation lower than that of the index, about two-thirds of the mortgages are comprised of Collateralized Mortgage Obligations (CMOs), whose structure provides more stable cash flows than standard pass-through mortgages.

Individual sector structures may also be overweighted or underweighted relative to that of the index. For example, the corporate portfolio's allocation to industry and credit rating differ from the index, as do the Mortgage portfolio's allocation to coupon and maturity.

Treasury and Agency debt have the highest credit rating since they are backed by either the U.S. Treasury or governmental agencies. Most mortgage debt has agency equivalent ratings, but some structured product held may be Aaa or Aa. Investment grade Corporate debt ranges from Aaa (the highest) to Baa (the lowest.) More than half of all investment-grade corporate debt issued is A rated. The portfolio's overall credit allocation reflects its large allocation to Corporates, its Corporate concentration in Baa-rated companies, and the mortgage allocation to Agency and Aaa-rated structured mortgage product.

For most of the last year the duration of the portfolio was less than 10 percent longer than that of the index, and both started and ended the year at about 9 percent longer.

FIXED INCOME PROGRAM

FISCAL YEAR HIGHLIGHTS

The economy was strong during fiscal 1999, with continued low unemployment and low inflation. However, fears over emerging market economies, and a resulting flight to quality, caused both interest rates to rise and spreads to widen in late 1998. These concerns continued to affect the fixed income market in spring 1999. For the fiscal year, the one-year, ten-year, and thirty-year treasuries returned 5.2 percent, 1.3 percent, and -2.8 percent, respectively. The yield on the thirty-year treasury bond started the fiscal year at 5.6 percent and ended at 6.0 percent, a difference of only 34 basis points. During the year, however, it was somewhat volatile, dropping to a low of 4.7 percent in early October and rising to a high of 6.2 percent in late June.

WSIB's fixed income portfolio returned 2.9 percent for the fiscal year, lower than the Lehman Aggregate Index return of 3.1 percent. Corporates are the largest allocation of the portfolio, but this year was one of the worst for that sector in recent memory (though spreads were tightening and their performance was beginning to rebound in the spring of 1999). The portfolio's allocation to asset backed securities and cash performed the best for the year, both being very short duration assets. These were followed by mortgage-backed securities, treasuries and agencies, and lastly, corporates. Throughout the year, the portfolio's duration averaged almost 7 percent longer than that of the index, with a low of 2 percent in August, 1998 and a high of just over 11 percent longer in April, 1999.

ALLOCATION TO FIXED INCOME *June 30, 1999*

<u>SECTOR</u>	<u>MARKET VALUE</u> <u>(In \$000's)</u>
Short - Term Cash & Equivalents	\$ 370,550
Long - Term	\$ 1,157,184
US Treasuries	316,387
Agencies	5,847,230
Corporates	410,467
Asset Backed	2,870,157
Mortgages	
Total Long - Term	<u>\$ 10,601,425</u>
Total Fixed Income	<u>\$ 10,971,975</u>

FIXED INCOME PROGRAM

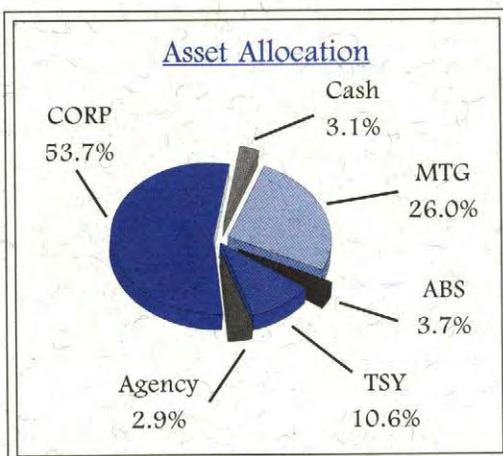
CHARACTERISTICS OF THE FIXED INCOME PORTFOLIO

June 30, 1999

<u>Sector Distribution</u>	WSIB Portfolio	Lehman Aggregate Index
Cash	3.4%	0.0%
Treasury	10.5%	35.2%
Agency	2.9%	8.2%
Corporate	53.3%	20.7%
Asset-Backed	3.7%	1.3%
Mortgages	<u>26.2%</u>	<u>34.6%</u>
	100.0%	100.0%

<u>Credit Distribution</u>	
TSY	7.8%
AGY	16.9%
Aaa	14.8%
Aa	6.4%
A	24.4%
Baa	27.3%
Other	<u>2.4%</u>
	100.0%

<u>Coupon Distribution</u>	
0 - 4.9%	0.4%
5 - 6.9%	51.1%
7 - 7.9%	32.7%
8 - 8.9%	9.3%
9 - 9.9%	4.4%
10+	<u>2.2%</u>
	100.0%



<u>Effective Duration</u>	
0 - 1 years	3.9%
1 - 3 years	11.9%
3 - 4 years	16.1%
4 - 6 years	32.5%
6 - 8 years	15.9%
8+	<u>19.7%</u>
	100.0%

PRIVATE EQUITY PROGRAM

THE PROGRAM

Private equity investments range from leveraged buyouts of corporations to the investment of initial capital in start up enterprises. These investments are very long term in nature (up to 12 years) and are highly illiquid during the investment period. They are attractive to sophisticated institutional investors, because over long time horizons private equity investment can offer higher returns than traditional equity investments.

The objective of the SIB private equity portfolio is to achieve, over a long term, risk adjusted returns of 400 basis points (or four percent) above the U.S. stock market. As discussed in the asset allocation section, in December 1996, the Board adopted a revised asset allocation that raised the private equity asset class target to 15 percent of the total retirement fund. Over the past fiscal year, the Board committed almost \$1.5 billion to Private Equity partnerships. The portfolio increased in value from \$3.23 billion to \$3.46 billion during the past fiscal year. Under the current plan, the Board will meet the long-term target by year end 2001.

The portfolio is spread across venture capital, (early stage, expansion, or late stage), distressed companies, buyouts of established companies (medium and large companies) and several other strategies. The portfolio's largest weighting is in investments with Kohlberg, Kravis, and Roberts (KKR). Based on commitment levels, KKR investments represent about 32 percent of the fund. Leveraged buyouts, including KKR, represent 46 percent of the portfolio; venture capital represents 26 percent, and international investments represent 13 percent.

Due to the long-term and private nature of these investments, the valuations of these investments are based on conservative estimates. The true return on investment can only be accurately measured upon liquidation of the investment. Many investments are carried at original cost for considerable periods, until some event allows for the estimation of a market value. Such events would include an initial public offering or a commitment to purchase the investment. The valuations contained in this report are made by the General Partners, and reviewed by WSIB consultants in accordance with current accepted accounting practices.

Since the inception of the program in 1981, the fund has achieved a 16.3 percent internal rate of return (IRR), which is net of partnership fees and expenses. The internal rate of return calculation is the industry standard method of investment performance. Time weighted returns are also calculated for the asset class, for the fiscal year 1998-1999; the portfolio earned a 6.0 percent return.

ALLOCATION TO PRIVATE EQUITY

June 30, 1999

<u>SUB-ASSET CLASS</u>	<u>MARKET VALUE (In \$000's)</u>
Venture Capital	\$ 662,879
Acquisition/Buyout	2,083,614
Mezzanine & Debt	418,541
International	220,493
Special Situations	78,142

TOTAL	\$ 3,463,669

REAL ESTATE PROGRAM

THE PROGRAM

The WSIB's real estate program is an externally managed pool of select partnership investments, intended to provide alternative portfolio characteristics when compared to traditional stock and bond investments. The majority of the WSIB's partnerships invest in institutional-quality real estate assets that are leased to third parties. The combination of income generated from bond-like lease payments, coupled with the hard asset qualities of commercial real estate, combine to generate returns that are expected to fall between the return expectations for fixed income and equities. The real estate portfolio is managed to deliver risk-adjusted returns that are consistent with the Board's long term return expectations for the asset class. The WSIB's real estate partnerships typically invest in private real estate assets that are held for long term income and appreciation. Many of the WSIB's investment partnerships do not involve co-investment with other financial entities, thereby providing the WSIB with control provisions related to liquidation, acquisition, and ongoing operational decisions like annual capital expenditures.

Volatility within the real estate portfolio is minimized through a combination of factors. First, the majority of the WSIB's partners own commercial real estate assets in a private investment form. Private investments are not subject to public market volatility and are generally held at cost or priced using appraisal-based pricing methodology. Second, real estate capital is diversified among a host of partners with varying investment styles. Third, partnership assets are invested in numerous economic regions, including international markets, and in various property types. Fourth, WSIB partners invest at different points within the asset's capital structure.

Each year the WSIB reviews market conditions and makes adjustments to its investment strategy. This strategy establishes funding and return objectives for the real estate program for the ensuing three-year planning period. The current plan forecasts that about one billion dollars in additional WSIB commitments will be required during the next three-year period to meet the Board's allocation objectives. The plan also establishes long term return expectations for the program. The current plan calls for a target benchmark of one to three percent above the NCREIF index.

The WSIB real estate staff also oversees an externally managed privately placed commercial mortgage program funded from the WSIB's fixed income allocation. The goal of the program is to originate high quality first mortgages secured by geographically diversified income-producing commercial real estate assets.

FISCAL YEAR HIGHLIGHTS

During fiscal year 1999, real estate markets continued their recovery. For the one-year period ending June 30, 1999, the NCREIF Index posted a total net return of 12.6 percent. The WSIB's real estate portfolio returned 8.5 percent for the same time period. Over three years, WSIB's real estate portfolio has outperformed the NCREIF Index 20.9 percent to 13.6 percent, and over five years has outperformed the index 19.7 to 11.3 percent.

REAL ESTATE PROGRAM

During the fiscal year ending June 30, 1999, WSIB made substantial equity commitments to the following real estate partnerships. WSIB's commitment to the referenced partnerships will take years to be drawn and will not be drawn unless acceptable investment opportunities are found by the WSIB's investment partners.

<u>Name</u>	<u>Partner</u>	<u>WSIB Commitment</u>	<u>Type</u>
Lowe N.W. Investors	Lowe Enterprises	\$200 Million (follow-on)	Office, Industrial
Hearthstone MS II*	Hearthstone	\$125 Million	Single Family Housing
Cherokee Investment Partners	Cherokee	\$100 Million	Environmentally Impaired Assets
Principal Enterprise Capital*	Principal Financial	\$400 Million	Private RE Operating Companies
ING Real Estate Partners	ING	\$100 Million	All Types
Hawthorne Timber Co.*	Campbell Group	\$300 Million	Timberland

* Approved but unfunded as of June 30, 1999.

ESTIMATED REAL ESTATE VALUE *June 30, 1999*

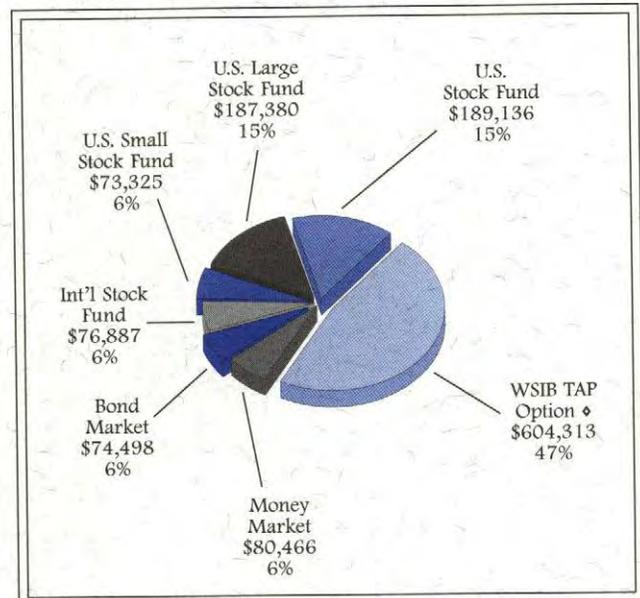
<u>ADVISOR / PARTNER</u>	<u>INVESTMENT</u>	<u>MARKET VALUE</u> (In \$000's)
PM Realty Advisors	America West II	\$ 3,624
Pacific Realty Associates	PacTrust	222,364
Pacific Realty Associates	Pac-SIB	216,464
Lowe Enterprises	Union Square	336,448
Lowe Enterprises	Lowe NW	161,322
JE Robert Companies	JER Real Estate Partners	77,924
Sentinel Realty Advisors	SREF	24,035
Security Capital	Security Capital Group	67,187
TA Associates	Olympia Properties	417,205
Morgan Stanley	MSREF III International	25,857
Morgan Stanley	MSSS	77,348
Taylor Simpson Group	MCPI	86,339
Hudson Advisors	Lonestar I	39,133
Hudson Advisors	Lonestar II	34,992
Hancock Nat. Res. Group	ForesTree Washington	87,635
Hearthstone	Hearthstone Olympia Homebuilding Partners	24,693
Transwestern	Home Town America	16,772
PRICOA	European Investor Properties	44,283
Cherokee Investment Services	Cherokee Investment Partners II	29,501
ING Realty Associates	ING Realty Partners	45,673
Total Real Estate Equity		\$ 2,038,799
Total as Percentage of Retirement Fund Assets		4.9%
WSIB Long-Term Real Estate Allocation Objective		9.0%

DEFINED CONTRIBUTION RETIREMENT PLANS

The Washington State Investment Board is Trustee of the state's defined contribution retirement plans. Currently, there are two defined contribution plans: Teachers' Retirement System (TRS) Plan 3 and the Judges' Supplemental Retirement Fund. WSIB is responsible for the investment of defined contribution retirement plan assets and for the provision of self-directed investment options to members of the defined contribution retirement plans. The Department of Retirement Systems is responsible for plan administration, accounting, and record-keeping.

The Judges' Supplemental Retirement Fund is a \$7.8 million fund (as of June 30, 1999) invested in Deferred Compensation investment options, self-directed by participants in the Judges' Supplemental Fund. Please see page 35 of this report for the performance of the Deferred Compensation investment options. Assets and performance for TRS Plan 3 are shown on this page.

TRS Plan 3 Defined Contribution Assets
June 30, 1999
(In \$000's)



♦ The WSIB Total Allocation Portfolio option, the statutory default option for TRS Plan 3, is invested in the Retirement Commingled Trust Fund. These moneys are included in the total for Retirement Funds shown elsewhere in this report. The remaining options are shown elsewhere in this report as self-directed defined contribution funds.

TRS Plan 3 Investment Options Annualized Performance as of June 30, 1999

FUND	ONE YEAR	THREE YEARS	FIVE YEARS
WSIB TAP Option	11.8%	16.3%	16.3%
<i>Custom Benchmark*</i>	12.0%	16.8%	16.8%
US Stock Fund	20.4%	**	**
<i>Russell 3000 Index</i>	20.1%		
US Large Stock Fund	22.9%	**	**
<i>S & P 500 Index</i>	22.8%		
US Small Stock Fund	1.0%	**	**
<i>Russell 2000 Index</i>	1.5%		
International Stock Fund	8.6%	**	**
<i>MSCI EAFE Index</i>	7.6%		
Bond Market	2.7%	**	**
<i>Lehman Aggregate Index</i>	3.1%		
Money Market	4.3%	**	**
<i>IBC's Tier One Index</i>	4.9%		

* Custom Benchmark: 50% Wilshire 5000 + 35% Lehman Aggregate + 15% MSCI EAFE

** Fund has not been in existence long enough to provide performance figures for these dates.

DEFERRED COMPENSATION

➤ Savings Pool

➤ Individual Funds

US Stock Market Index Fund (BGI)

Fidelity Intermediate Bond

Calvert Social Managed Growth

Fidelity Equity-Income

Fidelity Retirement Growth

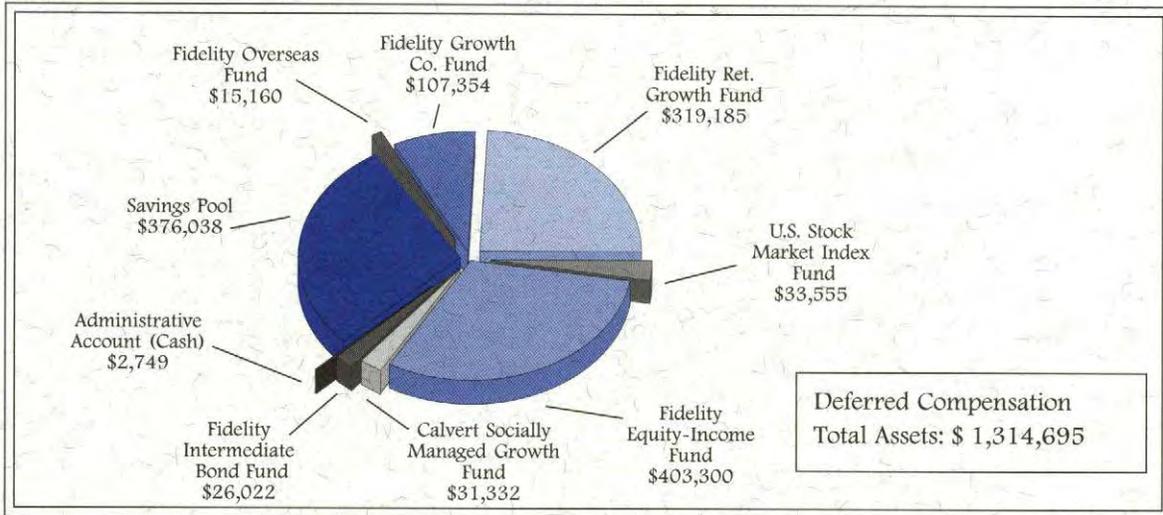
Fidelity Growth Company

Fidelity Overseas

DEFERRED COMPENSATION

The Washington State Investment Board is Trustee of State Deferred Compensation Plan assets. WSIB is responsible for the investment of State Deferred Compensation funds and for the provision of investment options to participants in the program. The Department of Retirement Systems is responsible for Deferred Compensation Plan administration, accounting, and record-keeping.

DEFERRED COMPENSATION PLAN ASSETS June 30, 1999 (In \$000's)



DEFERRED COMPENSATION PLAN ASSETS Average Annual Total Returns Periods Ending June 30, 1999

	<u>One Year</u>	<u>Three Years</u>	<u>Five Years</u>
Savings Pool	6.7%	6.7%	6.8%
US Stock Market Index (BGI)	19.9%	26.0%	25.6%
<i>Wilshire 5000</i>	19.6%	25.8%	25.7%
Fidelity Intermediate Bond	3.6%	6.3%	6.4%
<i>Lehman Government/Corporate Intermediate</i>	4.2%	6.6%	7.0%
Calvert Socially Managed Growth	9.1%	16.2%	14.8%
Fidelity Equity-Income	14.5%	22.5%	21.8%
<i>Russell 3000 Value</i>	14.4%	24.8%	23.7%
Fidelity Retirement Growth	25.4%	23.8%	20.7%
<i>Russell 3000</i>	20.1%	26.4%	26.0%
Fidelity Growth Company	32.6%	24.1%	25.4%
<i>Russell 3000 Growth</i>	25.6%	27.9%	28.3%
Fidelity Overseas	5.2%	12.6%	10.5%
<i>MSCI EAFE Index</i>	7.6%	8.8%	8.2%

INSURANCE FUNDS

- Accident Fund
- Medical Aid Fund
- Pension Reserve Fund
- Supplemental Pension Fund

INSURANCE FUNDS

In addition to retirement funds, the Legislature also requires the State Investment Board to manage a number of other funds, each with their own goals and objectives. One of these sets of funds are the insurance funds, managed for the Department of Labor and Industries (L & I). The Insurance Portfolio consists of four separate insurance funds that total about \$8.4 billion.

ACCIDENT FUND

This fund earns revenue from employer premiums for industrial insurance and investment interest. The primary use is to pay disability benefits for injured workers, such as time loss compensation, permanent partial disability, certain travel and retraining expenses, burial awards, and administrative costs.

MEDICAL AID FUND

The Medical Aid Fund earns income from premiums paid by both the employer and employee, as well as investment earnings. Payments are made for conservative medical care, hospital services, artificial appliances, physical and vocational rehabilitation, travel expenses, any other service required by the injured worker, and administrative costs.

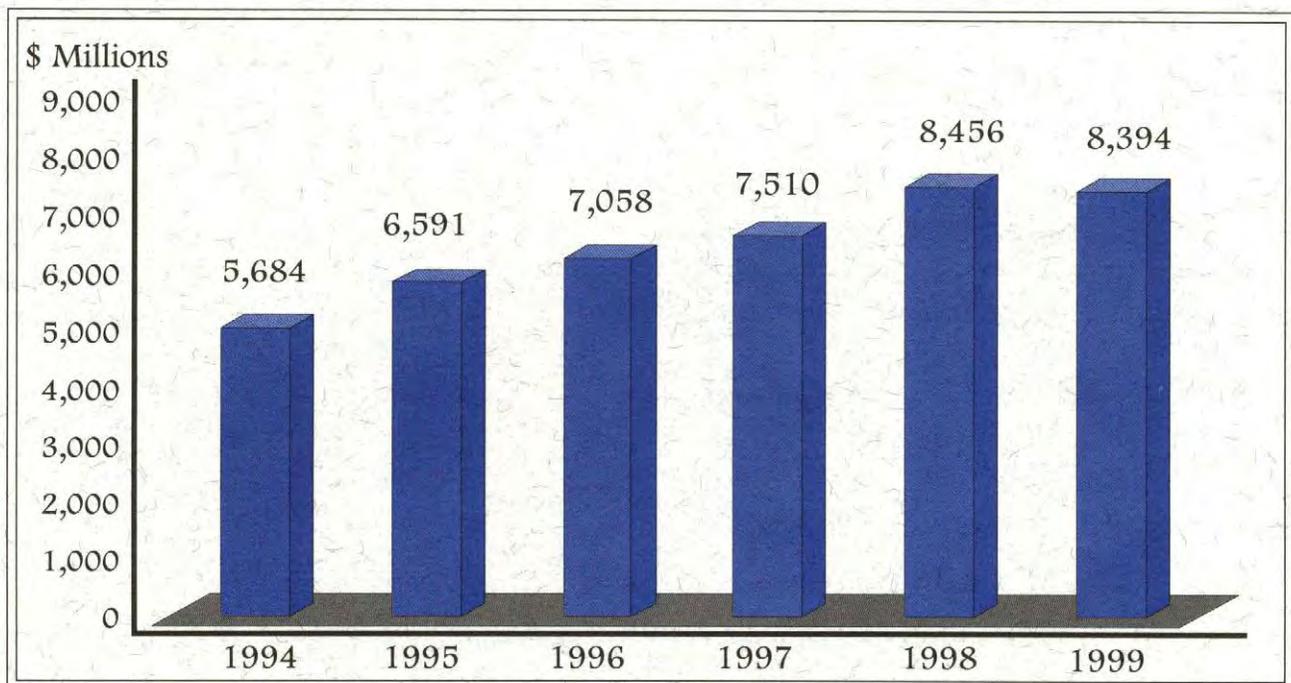
PENSION RESERVE FUND

This fund is maintained by transfers of money from the Accident Fund at the time that a new pensioner is set-up. This pays the permanently disabled worker and survivors of deceased injured workers.

SUPPLEMENTAL PENSION FUND

The Supplemental Pension Fund receives income from employer and employee premiums and investment earnings. These funds are used to supplement time loss and pensions based on older, lower schedules and to compensate for cost of living increases.

HISTORICAL MARKET VALUES *June 30, 1999*



INSURANCE FUNDS

ASSET ALLOCATION

June 30, 1999

The Insurance Fund portfolios are weighted strongly toward corporate bonds with a significant allocation to equities. Corporates allow the funds to hold assets with higher yields than government bonds as a result of their credit risk. Most of this weighting lies in A and Baa rated companies. The equity allocation provides diversification from fixed income assets, with equities providing both higher return and greater volatility. This allocation also acts as an inflation hedge for the Medical Aid Fund, which has the largest equity holding of the four funds. At the end of the fiscal year, the equity allocation was 18.2 percent, just slightly above the top of the equity allocation limit of 18 percent. This over-allocation will be drawn down early in fiscal year 2000 to the middle of the equity allocation range -- about 15 percent. This is not an attempt to "time" the markets, but rather to control the risk of the funds' overall allocation in a disciplined manner.

<u>Assets</u>	<u>Market Value</u> <u>(In 000's)</u>	<u>Percent</u>
Short-Term (Cash)	\$ 50,679	0.6%
Long-Term Fixed Income		
US Treasuries	\$ 719,538	8.6%
Government Agencies	317,962	3.8
Corporate Bonds	4,249,774	50.6
Asset Backed Securities	141,060	1.7
Mortgages	1,291,748	15.4
Total Long-Term Fixed Income	<u>\$6,720,082</u>	<u>80.1%</u>
Equities		
U.S. Equity Market Index	\$1,322,631	15.8%
MSCI EAFE Index	203,472	2.4
Total Equity	<u>\$1,526,103</u>	<u>18.2%</u>
Total Fixed Income and Equity	<u>\$8,296,864</u>	<u>98.9%</u>
Total Accruals	<u>\$ 97,184</u>	<u>1.1%</u>
TOTAL	<u><u>\$8,394,048</u></u>	<u><u>100.0%</u></u>

INSURANCE FUNDS

TIME-WEIGHTED RETURN

June 30, 1999

	— Annualized —		
	<u>One Year</u>	<u>Three Years</u>	<u>Five Years</u>
Accident Fund	3.1%	9.1%	9.5%
Medical Aid Fund	7.2%	11.0%	11.0%
Pension Reserve Fund	-0.3%	8.6%	10.6%
Supplemental Pension Fund	5.1%	6.9%	7.2%

BOND PORTFOLIO CHARACTERISTICS

June 30, 1999

<u>Sector Distribution</u>		<u>Effective Duration</u>	
Treasury	10.7%	0 - 1 years	4.6%
Agency	4.7%	1 - 3 years	14.0%
Corporate	63.3%	3 - 4 years	7.8%
Asset Backed	2.1%	4 - 6 years	22.7%
Mortgages	<u>19.2%</u>	6 - 8 years	19.3%
Total	100%	8+	<u>31.7%</u>
		Total	100%
<u>Credit Distribution</u>		<u>Coupon Distribution</u>	
TSY	10.7%	0 - 4.9%	4.0%
AGY	17.6%	5 - 6.9%	50.4%
Aaa	9.8%	7 - 7.9%	28.6%
Aa	6.4%	8 - 8.9%	12.3%
A	28.4%	9 - 9.9%	4.5%
Baa	26.7%	10 +	<u>0.3%</u>
Other	<u>0.4%</u>	Total	100%
Total	100%		

*PERMANENT FUNDS
&
OTHER TRUST FUNDS*

- Agriculture Permanent Fund
- Common School Permanent Fund
- Normal School Permanent Fund
- Scientific School Permanent Fund
- State University Permanent Fund
- Millersylvania Park Trust Fund

- Guaranteed Education Tuition Fund
- Game and Special Wildlife Fund
- State Employees Insurance Reserve
- Radiation Perpetual Fund
- Reclamation Revolving Fund

PERMANENT FUNDS

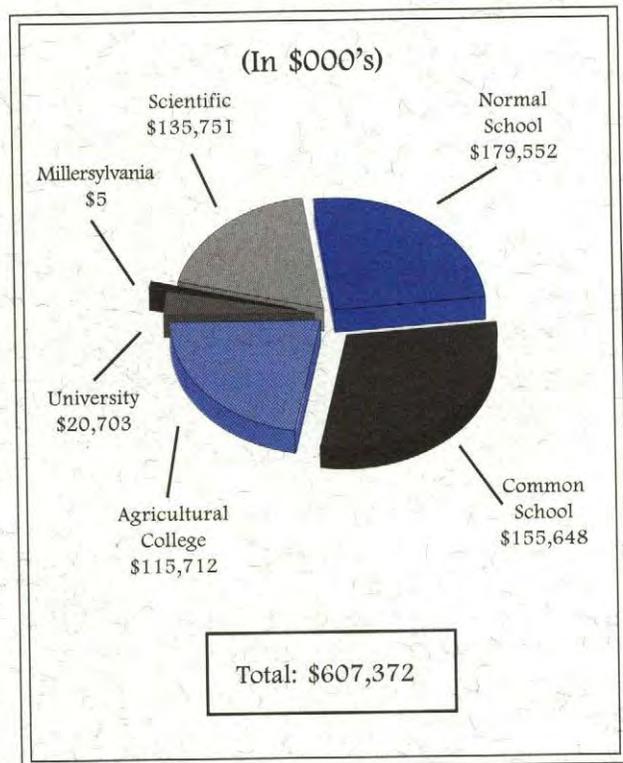
The WSIB manages assets for six Permanent Funds each with its own specific purpose and investment constraints. In aggregate, the assets of the Permanent Funds total approximately \$607 million. Permanent Funds are considered fiduciary fund types for financial reporting purposes. Operations of these funds must be carried out in compliance with trust indentures, statutes, or regulations. Permanent Funds are non-expendable trust funds in which the investment principal (corpus) remains intact as required by the Washington State laws and regulations. Earnings from these funds (minus expenses) must be either reinvested (added to corpus) or distributed to a beneficiary fund.

The Permanent Funds are all invested 92%-98% in fixed income instruments with the remainder in cash, except for the Millersylvania Fund which is 100% cash. The five education Permanent Funds were established through land grants from the federal government to benefit the Washington State schools and colleges. Proceeds from the sale of land and timber are transferred from the Washington State Department of Natural Resources to the Washington State Investment Board for investment purposes. Investment earnings are distributed to the schools, colleges and universities in the state for the purpose of bond repayment, capital development, and facilities maintenance.

- Agriculture Permanent Fund
- Common School Permanent Fund
- Normal School Permanent Fund
- Scientific Permanent Fund
- State University Permanent Fund

- Millersylvania Park Trust Fund

This fund was established from a gift of cash and securities. The earnings on investments are used for improvement, maintenance, and upkeep of the Millersylvania State Park.



<u>Performance</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>
Agricultural College	2.3%	7.2%	8.0%
Common School	2.6%	7.3%	8.1%
Normal School	2.4%	7.2%	8.0%
Scientific	2.3%	7.2%	7.9%
University	2.9%	7.3%	8.1%
Millersylvania	5.2%	5.4%	5.5%

OTHER TRUST FUNDS

The WSIB manages assets for five other trust funds that total about \$75 million in aggregate. Each fund has its own specific purpose and investment constraints.

➤ **Guaranteed Education Tuition Fund (\$32.9 million)**

The GET Program allows individuals or groups to purchase state college and university tuition units for future use at current prices. The program is under the authority of the Committee on Advanced Tuition Payment. The funds from advance tuition purchases are invested in a mix of fixed income, U.S equity and short-term holdings. As of June 30, 1999, the asset allocation was 36.1 percent fixed income, 12.9 percent U.S. equity, and 51.1 percent short-term holdings.

➤ **Game and Special Wildlife Fund (\$10.1 million)**

This fund was created to hold moneys received as compensation for wildlife losses. The WSIB is authorized to invest surpluses in the Special Wildlife Fund. The program is under the authority of the State Fish and Wildlife Commission. The fund is invested in short-term holdings.

➤ **State Employees Insurance Reserve (\$30.5 million)**

This fund was created for the purpose of holding and investing reserves needed for the payment of claims in insurance programs under the Health Care Authority. The account is funded from the reserves of the public employees' and retirees' insurance account. The fund is invested in short-term holding.

➤ **Radiation Perpetual Fund (\$785 thousand)**

This fund was created to provide moneys for the maintenance, surveillance, and other care of radioactive materials at sites no longer operating. Funding is from a charge imposed on each pound of uranium or thorium compound milled out of raw ore. The program is under the authority of the Department of Health. This fund is invested in short-term holdings.

➤ **Reclamation Revolving Fund (\$902 thousand)**

This fund was created to provide a source of funding for the reclamation and development of lands suitable, and economically available, for development as agricultural lands. This fund is invested in short term holdings and municipal water district bonds.

<u>Performance</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>
Guaranteed Education Tuition Fund	3.1%*	n/a	n/a
Game and Special Wildlife Fund	5.3%	6.0%	5.9%
State Employees Ins. Reserve	5.2%	5.4%	5.5%
Radiation Perpetual Fund	5.2%	5.4%	5.5%
Reclamation Revolving Fund	5.2%	6.1%	5.9%

*Performance figure is year-to-date from January 1, 1999. Fund has not been in existence long enough to provide a full one-year figure.

GLOSSARY

Acquisitions/Buyouts. The acquisition of a company or division usually involving leverage or some financial restructuring of the balance sheet.

Active Management. A style of investment management with the objective of attaining excess risk-adjusted performance versus the benchmark as a result of structuring a portfolio differently from the benchmark.

Asset. Anything owned that has value and is measurable in terms of money.

Asset Class. Categories of investments that share certain characteristics and exhibit similar patterns of return.

Benchmark. The performance objective represented by a model portfolio used to define the return against which another portfolio is to be evaluated.

Beneficiary. The recipient of fund benefits.

Commingled Fund. An investment fund in which the manager pools the assets of several trust accounts to permit more efficient management and to reduce administrative costs.

Defined Benefit Plan. A pension plan that promises to pay a specified amount to each person who retires, generally based upon a formula combination of years of service, age at retirement, and final compensation.

Defined Contribution Plan. A pension plan in which the retirement benefit is based solely on the amount contributed to an individual account plus net investment earnings. Members receive a full market rate of return; however, there is no guaranteed rate of return and the value of the member's account will increase or decrease based on fluctuations in the market.

Distressed Entities. The investment of equity or debt capital into an entity with various degrees of management assistance to help fix the underlying problems of the company.

Diversification. A technique of reducing risk by spreading investments among different asset classes, industries and sectors.

Efficient Market. The hypothesis that prices of securities fully reflect all available information.

Ex-officio Member. A member by virtue of office or position.

Fiduciary. One who holds something or acts in trust for another.

Fixed Income. Securities representing debt obligations and having fixed payments and maturities, as opposed to, for example, stock, which has no set dividend payment and/or maturity. Different types of fixed income securities include money market instruments, government and corporate bonds, mortgage-backed securities (including collateralized mortgage-obligations), asset backed securities, preferred stock, and convertible issues.

Index. A group of securities that represents the universe of available investments in a specific class or subclass of assets.

Leveraged Buyout. The purchase of assets or stock in a company using borrowed funds, with the expectation that operation of the company will enable repayment of these funds.

Liquidity. Describes the ease with which assets can be turned into cash.

GLOSSARY

Nonvoting Members. Members, typically experts in the investment and economics fields, who are appointed by the board and act in an advisory capacity.

Passive Management. An investment strategy which seeks to attain specific benchmark performance at a low cost.

Private Debt. The infusion of debt capital into a company or entity with some type of equity participation.

Private Equity. The infusion of equity capital into a company conferring either a controlling interest or significant influence in the company's management.

Risk (investment). The degree of uncertainty and/or the amount of possible loss that characterizes some course of action. The greater the volatility of the investment, the greater the degree of uncertainty of future investment returns.

Self-Directed Investment. An investment program in which the individual members or participants choose the investment vehicles for his/her assets, usually from among a set of investment options provided by the trustee. Members or participants receive a full market rate of return.

Stock. Ownership of a corporation represented by shares that are claim on the corporation's earnings and assets.

Style Risk. Individual managers generally can be categorized as investing in certain segments of the market (e.g., market capitalization size or low/high price earning companies). Style risk is

the degree of uncertainty and/or the amount of possible loss resulting from a style of management that differs from expectations. Style risk can occur either at the manager level, asset class level, or the consolidated portfolio level.

Trustee. A person, agency, bank, or trust company that has responsibility over financial aspects (receipts, disbursements, and/or investment) of funds. One who acts in the capacity of trust as a fiduciary and to whom property has been conveyed for the benefit of another party.

TUCS Public Fund Median. Trust Universe Comparison Services Median return of other public funds.

TUCS Total Funds Median. Trust Universe Comparison Services Median return of corporate and public funds.

Venture Capital. Equity financing of early, expansion, and later stage emerging, small businesses. Companies grow from start-up to medium size businesses, and are then either sold to the public through an Initial Public Offering, or are sold to a trade or financial buyer.

Volatility. In financial matters, volatility of returns is the measurement used to define risk. It describes the spread of annual returns from lowest to highest over a particular period. The greater the volatility, the higher the risk.

Voting Members. The nine voting members of the board. They include four members which represent various stakeholders in the pension systems, three ex-officio members, and one legislator from each house.

The Washington State Investment Board is an equal opportunity and affirmative action employer. Every effort will be made to provide reasonable accommodation and accessibility to WSIB employees and the public we serve.

Special thanks to the following people for their work in producing
WSIB's 1999 Annual Report:

Scott Huntley - Project Supervisor

Patricia Sheridan - Project Coordinator

Jeremy Bertrand - Graphics and Page Design

Sam Green - Financial Statements and Schedules

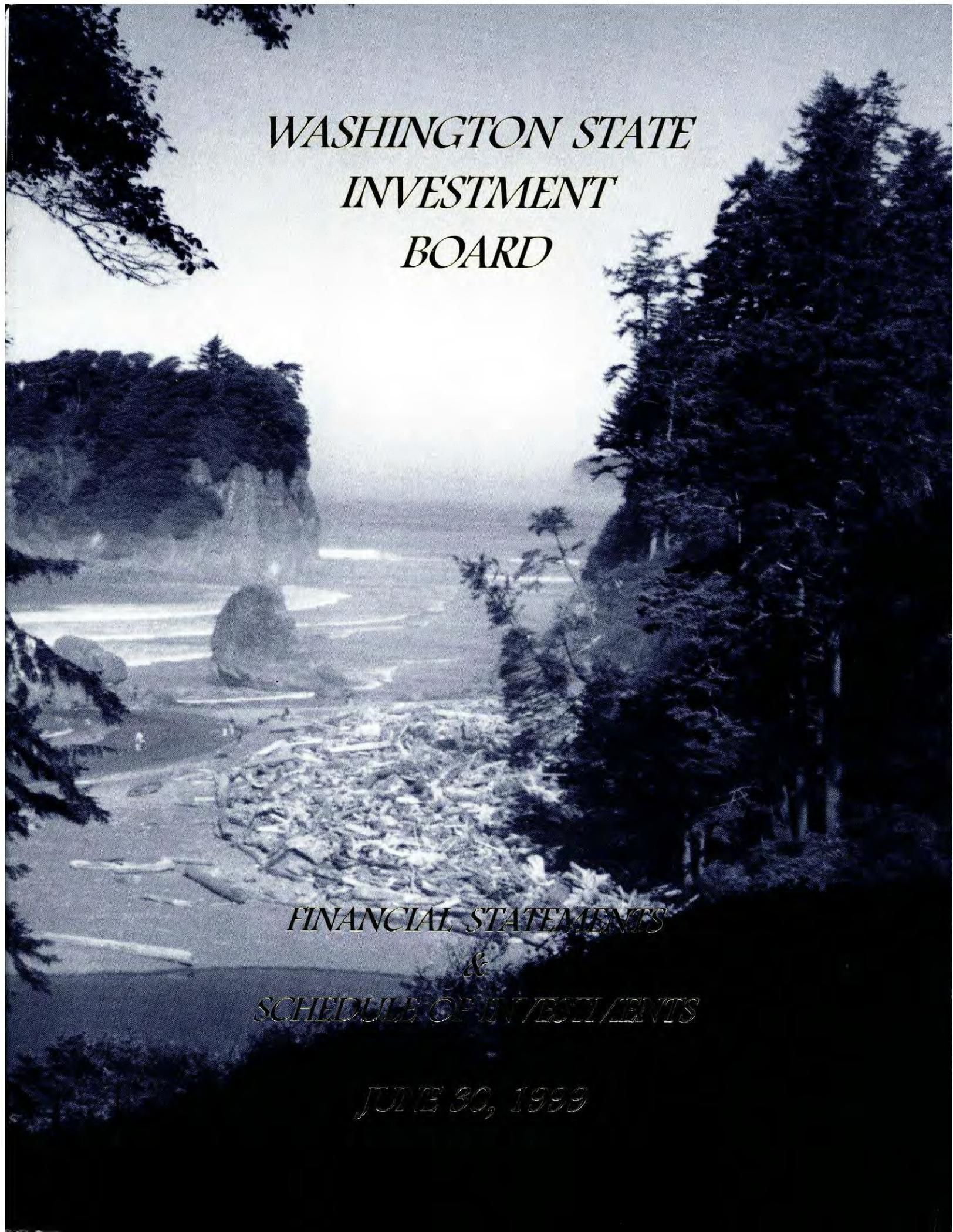
Tom Edwards and Brad Christoffer - Technical Support

Isabelle Fowler - Cover Photograph

Cover Photo: Ruby Beach, Olympic National Park



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*WASHINGTON STATE
INVESTMENT
BOARD*

*FINANCIAL STATEMENTS
&
SCHEDULE OF INVESTMENTS*

JUNE 30, 1999



Eighteenth Annual Investment Report (Part 2)
Financial Statements and Schedules of Investments

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This is Part 2 of the SIB Eighteenth Annual Investment Report. This booklet does not include information on Teachers' Retirement System Plan 3 self-directed investments or the State Deferred Compensation Plan assets. Summary information regarding the investment of assets in those programs is provided in Part 1 of the Annual Report. The Department of Retirement Systems is responsible for accounting and reporting on investments for those programs.

RETIREMENT FUNDS

- Notes to Financial Statements
- Statement of Investments
- Schedule of Participation
- Statement of Changes in Investment Balances
- Schedule of Investment Expenses
- Schedule of Investments

NOTE:

The information in this section includes the Teachers' Retirement System (TRS) Plan 3 Total Allocation Portfolio (TAP), but does not include TRS Plan 3 self-directed investment. See Note 5 under Retirement Funds Notes to Financial Statements.

Washington State Investment Board Retirement Funds

Notes to Financial Statements
June 30, 1999

Note 1: Significant Accounting Policies

Retirement fund investments are reported at fair market value, with the exception of short-term investments, which are reported at cost, and commercial real estate mortgages, which are reported at unpaid principal, adjusted for estimated uncollectibles.

Interest and dividend income is accrued when earned. Capital gains and losses are recognized on a trade date basis. Purchases and sales of investments are also recorded on a trade date basis.

Monthly, the assets of the retirement Commingled Trust Fund are adjusted to fair market value. Unrealized gains and losses are included as investment earnings on the Statement of Changes in Investment Balance.

The WSIB reports collateral received under securities lending agreements where the state has the ability to spend, pledge, or sell the collateral without borrower default. Liabilities resulting from these transactions are also reported. Additionally, costs associated with securities lending transactions, and broker rebates paid, are reported in the accompanying statements. The Schedule of Investments and Statement of Investments do not include detailed holdings of securities lending collateral by investment classification.

Note 2: The Commingled Trust Fund

The Commingled Trust Fund (CTF) is a diversified pool of investments which is used as an investment vehicle for eight separate retirement plans. These plans hold "units" in CTF, which represent an undivided percentage ownership in the pool of investments. Plans are allowed to purchase or sell units in the CTF, based on the market value of the underlying assets, on the first business day of each month.

In addition to unit ownership in the CTF, each retirement plan holds its own short-term investments. These short-term investments are referred to as "plan-specific investments" in the accompanying financial statements and are used to manage the cash needs of the retirement plans.

Note 3: Fees and Expenses

Investment related fees and expenses are paid from non-appropriated funds. The Schedule of Investment Expenses is a listing of non-appropriated fees and expenses paid during the fiscal year ending June 30, 1999.

Note 4: Unfunded Commitments

The WSIB has entered into a number of agreements that commit the state, upon request, to make additional investment purchases up to a stated amount. As of June 30, 1999, the state had the following unfunded investment commitments:

Private Equity	\$	3,334,312,868
Real Estate		622,395,675

Note 5: Teachers' Retirement System Plan 3

The financial information presented in this section includes the Washington State Investment Board Total Allocation Portfolio (TAP) for Teachers' Retirement System (TRS) Plan 3, which is invested in the Commingled Trust Fund. It does not include TRS Plan 3 self-directed investment, which is accounted for and reported on by the Department of Retirement Systems.

Note 6:

At June 30, 1999, derivative securities held directly by SIB included financial futures contracts (S&P 500) with a contract value of \$373 million. During June, 1999, financial futures contracts totaling \$750 million were entered to offset, or hedge, domestic equity market risk during a period of incremental sales of domestic equity assets and reinvestment in foreign equity assets. The financial futures contracts were incrementally closed-out as the related incremental domestic equity sales occurred, until completed in August, 1999.

WASHINGTON STATE INVESTMENT BOARD
RETIREMENT FUNDS
Statement of Investments - Unaudited
June 30, 1999

	COMMINGLED TRUST FUND (NOTE 2)	PLAN-SPECIFIC INVESTMENTS (NOTE 2)	TOTAL	PERCENT OF TOTAL
Short - Term Securities	\$ 984,573,359	\$ 79,260,575	\$ 1,063,833,934	2.5%
U.S. Government Securities	1,473,570,635		1,473,570,635	3.5%
Mortgages and Mortgage Backed Securities	2,852,924,634		2,852,924,634	6.8%
Asset Backed Securities	410,467,356		410,467,356	1.0%
Corporate Obligations - Domestic	4,708,400,057		4,708,400,057	11.3%
Corporate Obligations - Convertible	37,500,000		37,500,000	0.1%
Corporate Obligations - Yankee	1,103,891,029		1,103,891,029	2.6%
Corporate Obligations - Foreign	34,938,969		34,938,969	0.1%
Municipal Bonds	17,232,329		17,232,329	0.0%
Venture Capital	1,658,740,584		1,658,740,584	4.0%
Leveraged Buy-Outs	1,804,928,627		1,804,928,627	4.3%
Real Estate Equity	1,971,612,144		1,971,612,144	4.7%
Corporate Stock - Domestic	39,147,220		39,147,220	0.1%
Corporate Stock - Foreign	2,533,444,321		2,533,444,321	6.1%
Commingled Index Funds - Domestic	18,152,844,707		18,152,844,707	43.4%
Commingled Index Funds - Foreign	3,926,669,890		3,926,669,890	9.4%
Total Market Value, June 30, 1999	\$ 41,710,885,861	\$ 79,260,575	\$ 41,790,146,436	100.0%

See Notes to Financial Statements

WASHINGTON STATE INVESTMENT BOARD
RETIREMENT FUNDS
Statement of Participation - Unaudited
June 30, 1999

<u>RETIREMENT PLAN:</u>	<u>COMMINGLED TRUST FUND (NOTE 2)</u>	<u>PLAN-SPECIFIC INVESTMENTS (NOTE 2)</u>	<u>TOTAL</u>	<u>PERCENT OF TOTAL</u>
PERS I	\$ 10,309,617,547	\$ 3,016,109	\$ 10,312,633,656	24.7%
PERS II	10,901,660,613	35,391,524	10,937,052,137	26.2%
TEACHERS I	8,973,193,381	6,602,357	8,979,795,738	21.5%
TEACHERS II/3 (DC and DB Plans)	3,613,761,910	15,749,806	3,629,511,716	8.7%
VOLUNTEER FIREFIGHTERS	114,589,044	121,146	114,710,190	0.3%
WASHINGTON STATE PATROL	649,428,643	305,628	649,734,271	1.6%
LEOFF I	5,106,223,126	1,453,328	5,107,676,454	12.2%
LEOFF II	2,042,411,598	8,147,712	2,050,559,310	4.9%
JUDICIAL	-	8,472,965	8,472,965	0.0%
	<u>\$ 41,710,885,861</u>	<u>\$ 79,260,575</u>	<u>\$ 41,790,146,436</u>	<u>100.0%</u>

See Notes to Financial Statements

WASHINGTON STATE INVESTMENT BOARD
RETIREMENT FUNDS
Statement of Changes in Investment Balances - Unaudited
For the Fiscal Year Ended June 30, 1999

	COMMINGLED TRUST FUND (NOTE 2)	PLAN-SPECIFIC INVESTMENTS (NOTE 2)	TOTAL
Net Asset Value - June 30, 1998	\$ 37,396,951,182	\$ 72,400,111	\$ 37,469,351,293
Fiscal Year 1999 Activity:			
Net Receipt from Retirement Plans		\$ (117,362,986)	\$ (117,362,986)
Investments in Commingled Funds	\$ 620,341,148	\$ (620,341,148)	\$ -
Withdrawals from Commingled Funds	\$ (742,255,104)	\$ 742,255,104	\$ -
Investment Earnings (Note 1):			
Income	\$ 1,090,777,404	\$ 6,664,450	\$ 1,097,441,854
Capital Gains	2,280,490,646		2,280,490,646
Capital Losses	(627,731,849)		(627,731,849)
Market Gains and Losses (Unrealized)	1,898,380,795		1,898,380,795
Investment Expenses (Note 3)	(94,144,892)		(94,144,892)
Securities Lending Broker Rebates Paid	(81,989,164)		(81,989,164)
WSIB Operating Costs		(3,807,504)	(3,807,504)
Net Investment Earnings	<u>\$ 4,465,782,940</u>	<u>\$ 2,856,946</u>	<u>\$ 4,468,639,886</u>
Net Asset Value - June 30, 1999	<u>\$ 41,740,820,166</u>	<u>\$ 79,808,027</u>	<u>\$ 41,820,628,193</u>
Net Asset Value Recap - June 30, 1999:			
Investments (at Market Value)	\$ 41,710,885,861	\$ 79,260,575	\$ 41,790,146,436
Investment Earnings Receivable	176,616,669	547,452	177,164,121
Investment Management Fees Payable	(15,948,289)		(15,948,289)
Receivable for Investments Sold	239,534,700		239,534,700
Payable for Investments Purchased	(370,268,775)		(370,268,775)
Collateral Held Under Securities Lending Agreements	1,546,374,582		1,546,374,582
Obligations Under Securities Lending Agreements	(1,546,374,582)		(1,546,374,582)
Total Net Asset Value - June 30, 1999	<u>\$ 41,740,820,166</u>	<u>\$ 79,808,027</u>	<u>\$ 41,820,628,193</u>

See Notes to Financial Statements.

WASHINGTON STATE INVESTMENT BOARD
RETIREMENT FUNDS
Schedule of Investment Expenses
For the Year Ended June 30, 1999

PUBLIC EQUITY SECURITIES:

Passive Equity Managers	\$ 466,166
International Active Equity Managers	7,404,332
International Passive Equity Managers	375,771

FIXED INCOME SECURITIES:

Commercial Mortgages	\$ 319,671
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ALTERNATIVE INVESTMENTS:

Private Equity	\$ 61,182,277
Real Estate	14,260,712

OTHER FEES:

Securities Lending Fees	\$ 8,425,644
Consultants and Advisors	833
Custodians	1,465,965
Legal Fees	243,521

Total Investment Expenses	<u>\$ 94,144,892</u>
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See Notes to Financial Statements

WASHINGTON STATE INVESTMENT BOARD
Retirement Funds
Schedule of Investments - Unaudited
June 30, 1999

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OF SHARES</u>	<u>BOOK AND MARKET VALUE</u>
SHORT - TERM SECURITIES:				
CURRENCIES				
Australia-Dollar	N/A	N/A	N/A	667,639
Britain-Pound	N/A	N/A	N/A	174,249,705
E.M.U. -Euro	N/A	N/A	N/A	60,675,897
France-Franc	N/A	N/A	N/A	22
Germany-Mark	N/A	N/A	N/A	73
Japan-Yen	N/A	N/A	N/A	10,408,713
Mexico-Peso	N/A	N/A	N/A	284,058
Netherland-Guilder	N/A	N/A	N/A	22
New Zealand-Dollar	N/A	N/A	N/A	4,164,856
Switzerland-Franc	N/A	N/A	N/A	(75,405)
United States-Dollar	N/A	N/A	N/A	1,874,222
<i>TOTAL CURRENCIES</i>				\$ 252,249,803
CASH EQUIVALENTS				
BGI HEDGE COLLATERAL POOL	N/A	N/A	1,000,000	87,458,442
STATE STREET BANK & TRUST CO	N/A	N/A	644,865,113	644,865,113
<i>TOTAL CASH EQUIVALENTS</i>				\$ 732,323,555
TOTAL SHORT - TERM SECURITIES				\$ 984,573,359

US GOVERNMENT SECURITIES:

TREASURIES

U.S.A. TREASURY BOND	5/15/11	13.880	31,000,000	44,422,070
U.S.A. TREASURY BOND	8/15/13	12.000	30,000,000	42,173,400
U.S.A. TREASURY NOTE	11/15/03	11.880	49,500,000	60,831,045
U.S.A. TREASURY NOTE	11/15/15	9.880	25,300,000	34,573,968
U.S.A. TREASURY NOTE	5/15/17	8.750	67,000,000	84,681,970
U.S.A. TREASURY NOTE	5/15/20	8.750	22,540,000	29,006,050
U.S.A. TREASURY NOTE	7/15/99	6.380	100,000,000	100,078,000
U.S.A. TREASURY NOTE	8/15/02	6.380	6,000,000	6,120,000
U.S.A. TREASURY NOTE	2/15/03	6.250	175,300,000	178,422,093
U.S.A. TREASURY NOTE	5/15/04	7.250	199,000,000	211,282,280
U.S.A. TREASURY NOTE	8/31/99	6.880	25,000,000	25,086,000

WASHINGTON STATE INVESTMENT BOARD

Retirement Funds

Schedule of Investments - Unaudited

June 30, 1999

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OF SHARES</u>	<u>BOOK AND MARKET VALUE</u>
U.S.A. TREASURY NOTE	11/15/04	7.880	59,000,000	64,540,690
U.S.A. TREASURY NOTE	3/31/00	6.880	35,000,000	35,421,050
U.S.A. TREASURY NOTE	5/15/05	6.500	21,000,000	21,675,990
U.S.A. TREASURY NOTE	6/30/00	5.880	28,250,000	28,404,528
U.S.A. TREASURY NOTE	9/30/00	6.130	50,000,000	50,422,000
U.S.A. TREASURY NOTE	11/15/99	7.880	69,000,000	69,711,390
U.S.A. TREASURY NOTE	2/15/01	7.750	15,000,000	15,520,350
U.S.A. TREASURY NOTE	5/31/01	6.500	42,400,000	43,135,216
U.S.A. TREASURY NOTE	7/15/06	7.000	11,000,000	11,675,510
<i>TOTAL US TREASURIES</i>				<u>\$ 1,157,183,599</u>
AGENCIES				
FEDERAL HOME LN MTG CORP	3/15/00	8.130	122,058	122,648
FEDERAL HOME LN MTG CORP	9/15/05	8.200	805,831	828,426
FHLB	2/25/04	9.500	10,000,000	11,306,200
FHLB/GLOBAL SR NT	9/2/08	5.800	34,600,000	33,059,262
FNMA	4/10/00	9.050	5,000,000	5,131,250
FNMA	6/16/00	6.250	21,500,000	21,641,040
FNMA	3/21/06	6.630	25,000,000	25,257,750
FNMA	4/15/03	5.750	100,000,000	98,922,000
FNMA	6/15/05	5.750	100,000,000	97,734,000
FNMA MTN	8/22/05	6.850	12,000,000	12,324,360
TENNESSEE VALLEY AUTHORITY	9/15/34	8.250	10,000,000	10,060,100
<i>TOTAL US AGENCIES</i>				<u>\$ 316,387,036</u>
TOTAL US GOVERNMENT SECURITIES				<u>\$ 1,473,570,635</u>
MORTGAGES/MORTGAGE BACKED SECURITIES:				
PASS THROUGH MORTGAGES				
FHLMC G 10372	8/1/10	6.500	12,144,698	12,047,176
FHLMC GIANT NONGNOME 50-1731	12/1/04	8.000	681,508	693,462
FHLMC GIANT SWAP 30-4278	7/1/18	9.000	4,849,061	5,120,754
FHLMC GIANT SWAP 30-4281	7/1/18	9.000	4,812,145	5,081,770
FHLMC GIANT SWAP 53-8318	12/1/19	10.000	1,522,479	1,639,649
FHLMC GIANT SWAP 538275	12/1/19	9.000	68,018	71,979
FHLMC GIANT WAM SWAP 30-6660	3/15/19	7.000	870,225	869,285

WASHINGTON STATE INVESTMENT BOARD

Retirement Funds

Schedule of Investments - Unaudited

June 30, 1999

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OF SHARES</u>	<u>BOOK AND MARKET VALUE</u>
FHLMC GNOME 38-0021	5/1/03	9.000	987,263	1,010,533
FHLMC GOLD 15YR PL E00659	4/1/14	6.000	59,384,766	57,528,992
FHLMC GOLD 15YR PL E70075	5/1/13	6.000	5,598,404	5,423,453
FHLMC GOLD 15YR PL E70389	5/1/13	6.000	2,732,914	2,647,510
FHLMC GOLD 15YR PL E70491	5/1/13	6.000	6,396,809	6,196,909
FHLMC GOLD 15YR PL E70492	5/1/13	6.000	14,157,055	13,714,647
FHLMC GOLD 15YR PL E70494	5/1/13	6.000	2,876,033	2,786,157
FHLMC GOLD 15YR PL E70505	5/1/13	6.000	2,743,748	2,658,006
FHLMC GOLD 15YR PL E70506	5/1/13	6.000	928,346	899,335
FHLMC GOLD 15YR PL E75957	4/1/14	6.000	5,928,309	5,743,049
FHLMC GOLD 15YR PL E76340	4/1/14	6.000	3,972,338	3,848,203
FHLMC GOLD PL C00335	5/1/24	7.500	19,911,376	20,185,157
FHLMC GOLD PL D63625	9/1/25	7.500	755,209	765,117
FHLMC GOLD PL D65599	11/1/25	7.500	799,666	810,158
FHLMC GOLD PL D66023	12/1/25	7.500	395,143	400,327
FHLMC GOLD PL D66145	12/1/25	7.500	472,290	478,486
FHLMC GOLD PL D66251	12/1/25	7.500	645,360	653,827
FHLMC GOLD PL D66700	12/1/25	7.500	553,306	560,566
FHLMC GOLD PL D66758	12/1/25	7.500	310,017	314,085
FHLMC GOLD PLC80158	5/1/24	7.500	4,559,513	4,622,206
FHLMC GOLD PLC80321	6/1/25	7.500	840,849	852,142
FHLMC PC 16-0034	12/1/07	8.500	45,211	46,851
FHLMC PC 16-0037	1/1/08	8.500	48,956	50,732
FHLMC PC 16-0038	2/1/08	8.500	88,080	91,276
FHLMC PC 16-0039	3/1/08	8.500	224,603	232,752
FHLMC PC 16-0040	3/1/08	8.750	43,220	44,856
FHLMC PC 16-0045	5/1/08	8.750	4,365	4,530
FHLMC PC 16-0046	5/1/08	8.750	132,912	137,945
FHLMC PC 16-0047	5/1/08	8.750	44,119	45,933
FHLMC PC 16-0063	10/1/08	9.500	104,271	109,395
FHLMC PC 17-0019	2/1/08	8.500	265,051	274,667
FHLMC PC 17-0029	5/1/10	12.000	119,656	131,014
FHLMC PC 17-0141	9/1/15	11.000	71,167	76,639
FHLMC PC 17-0145	10/1/15	11.000	154,083	166,332
FHLMC PC 17-0147	11/1/15	11.000	708,087	768,819
FHLMC PC 17-0149	12/1/15	11.000	166,393	180,392
FHLMC PC 17-0186	8/1/16	9.500	514,820	546,739
FHLMC PC 17-0222	5/1/17	8.500	40,724	42,776
FHLMC PC 36-0003	6/1/17	9.500	629,489	669,146

WASHINGTON STATE INVESTMENT BOARD
Retirement Funds
Schedule of Investments - Unaudited
June 30, 1999

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OF SHARES</u>	<u>BOOK AND MARKET VALUE</u>
FHLMC SWAP 18-5401	5/1/12	9.250	137,223	144,211
FHLMC SWAP 25-6790	9/1/15	11.000	47,937	51,476
FHLMC SWAP 26-0847	1/1/17	8.500	3,449	3,626
FHLMC SWAP 28-0417	9/1/16	8.500	1,173	1,234
FHLMC SWAP 28-4973	5/1/08	8.500	3,777	3,869
FHLMC SWAP 28-5569	1/1/17	8.500	31,776	33,403
FHLMC SWAP 28-5709	1/1/17	8.500	81,656	85,837
FHLMC SWAP 28-7894	3/1/17	8.500	73,991	77,835
FHLMC SWAP 28-7948	3/1/17	8.500	19,734	20,759
FHLMC SWAP 28-9135	3/1/17	8.500	36,691	38,298
FHLMC SWAP 28-9144	2/1/17	8.500	27,341	28,741
FHLMC SWAP 28-9152	3/1/17	8.500	77,251	81,264
FHLMC SWAP 28-9214	3/1/17	8.500	51,487	54,123
FHLMC SWAP 28-9373	4/1/17	8.500	28,308	29,675
FHLMC SWAP 28-9376	3/1/17	8.500	53,479	56,257
FHLMC SWAP 28-9625	2/1/17	8.500	14,974	15,752
FHLMC SWAP 28-9630	3/1/17	8.500	57,487	60,473
FHLMC SWAP 28-9884	4/1/17	8.500	167,627	176,335
FHLMC SWAP 29-0070	4/1/17	8.500	3,201	3,278
FHLMC SWAP 29-0303	4/1/17	8.500	55,216	58,044
FHLMC SWAP 29-0815	4/1/17	8.500	63,040	66,315
FHLMC SWAP 29-1140	4/1/17	8.500	3,365	3,540
FHLMC SWAP 29-1274	4/1/17	8.000	978,002	1,013,239
FHLMC SWAP 29-1424	3/1/17	8.500	41,326	43,473
FHLMC SWAP 29-1470	4/1/17	8.500	12,748	13,401
FHLMC SWAP 29-1802	4/1/17	8.500	15,402	16,178
FHLMC SWAP 29-2320	3/1/17	8.500	16,617	17,481
FHLMC SWAP 29-2624	5/1/17	8.500	25,193	26,483
FHLMC SWAP 29-4102	5/1/17	8.500	12,064	12,614
FHLMC SWAP 29-4881	6/1/17	8.000	132,085	136,682
FHLMC SWAP 29-9465	6/1/17	8.000	28,855	29,812
FHLMC SWAP 30-3198	3/1/18	8.000	17,945	18,608
FNMA 15 YR PL 322608	5/1/11	6.500	477,423	471,751
FNMA 15 YR PL 329775	1/1/11	6.500	315,606	311,857
FNMA 15 YR PL 339802	5/1/11	6.500	368,888	364,506
FNMA 15 YR POOL #313700	8/1/12	7.000	19,760,723	19,859,527
FNMA 15 YR POOL 250697	10/1/11	7.000	2,070,310	2,080,662
FNMA 15 YR POOL 251418	11/1/07	7.000	1,391,112	1,400,293
FNMA 15 YR POOL 251428	12/1/12	7.000	12,632,324	12,695,485

WASHINGTON STATE INVESTMENT BOARD

Retirement Funds

Schedule of Investments - Unaudited

June 30, 1999

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OF SHARES</u>	<u>BOOK AND MARKET VALUE</u>
FNMA 15 YR POOL 398005	11/1/12	7.000	2,762,099	2,775,909
FNMA 15 YR POOL 399121	11/1/12	7.000	3,229,888	3,246,037
FNMA 15 YR POOL 399598	11/1/12	7.000	2,802,830	2,816,844
FNMA 15 YR POOL 406517	12/1/12	7.000	2,426,231	2,438,362
FNMA 15 YR POOL 408761	12/1/12	7.000	1,935,147	1,944,822
FNMA 15 YR POOL 409041	12/1/12	7.000	2,388,217	2,400,158
FNMA 15YR 344166	6/1/11	6.500	355,079	350,860
FNMA 15YR 346538	5/1/11	6.500	358,549	354,289
FNMA 16 YR PL 250613	6/1/11	6.500	652,103	644,356
FNMA 20YR	4/1/16	6.500	100,220	98,121
FNMA 20YR	4/1/16	6.500	687,776	673,374
FNMA 20YR	3/1/16	6.500	83,853	82,097
FNMA 20YR	4/1/16	6.500	865,550	843,790
FNMA 20YR	4/1/16	6.500	977,802	952,702
FNMA 20YR	4/1/16	6.500	474,445	462,266
FNMA 20YR	5/1/16	6.500	582,870	568,217
FNMA 20YR	5/1/16	6.500	922,141	898,469
FNMA 20YR	5/1/16	6.500	822,717	801,598
FNMA 20YR	4/1/16	6.500	913,225	889,783
FNMA 20YR	5/1/16	6.500	1,077,926	1,050,255
FNMA 20YR	5/1/16	6.500	88,846	86,565
FNMA 20YR	5/1/16	6.500	876,745	854,239
FNMA 20YR	4/1/16	6.500	1,672,105	1,630,068
FNMA 20YR	5/1/16	6.500	378,588	368,870
FNMA 20YR PL 250582	4/1/16	6.500	1,201,769	1,176,604
FNMA 20YR PL 250591	5/1/16	6.500	1,752,738	1,716,035
FNMA 20YR PL 298169	3/1/16	6.500	364,039	356,416
FNMA 20YR PL 338386	4/1/16	6.500	343,385	336,195
FNMA 20YR PL 338403	5/1/16	6.500	2,266,748	2,219,282
FNMA 20YR PL 338427	5/1/16	6.500	1,420,032	1,383,579
FNMA CA 7423	5/1/14	11.250	132,845	145,841
FNMA CL 2463	9/1/15	11.000	244,288	266,386
FNMA DWARF PL 324308	9/1/08	6.500	27,293,503	27,091,258
FNMA GL 6222	4/1/16	9.000	2,062,725	2,216,955
FNMA MEGA 70449	12/1/19	11.000	2,103,448	2,305,148
FNMA MEGA 70453	12/1/19	10.500	1,250,539	1,354,071
FNMA PL 050763	7/1/08	7.000	962,561	968,423
FNMA PL 050965	1/1/24	6.500	69,028	67,108
FNMA PL 073014 OLIVE TOWER APT	6/1/20	9.020	1,455,814	1,550,442

WASHINGTON STATE INVESTMENT BOARD

Retirement Funds

Schedule of Investments - Unaudited

June 30, 1999

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OF SHARES</u>	<u>BOOK AND MARKET VALUE</u>
FNMA PL 219662	8/1/23	7.000	616,755	612,129
FNMA PL 227422	8/1/23	7.000	1,399,759	1,389,261
FNMA PL 278016	4/1/24	6.000	2,351,930	2,229,183
FNMA POOL # 416155	4/1/28	6.500	5,477,514	5,297,742
FNMA POOL # 417065	3/1/28	6.500	3,505,917	3,390,853
FNMA POOL # 417316	3/1/28	6.500	3,372,706	3,262,014
FNMA POOL # 417759	3/1/28	6.500	7,273,233	7,034,526
FNMA POOL # 419368	3/1/28	6.500	3,229,696	3,123,697
GNMA 1 310560	8/15/21	8.500	176,760	185,707
GNMA 1 SF 178138	8/15/21	8.500	287,482	302,035
GNMA 1 SF 183602	12/15/21	8.500	42,379	44,525
GNMA 1 SF 184777	11/15/21	8.500	103,756	109,008
GNMA 1 SF 202092	6/15/21	8.500	135,038	141,873
GNMA 1 SF 278964	5/15/21	8.500	207,049	217,529
GNMA 1 SF 282707	11/15/19	8.500	177,214	186,362
GNMA 1 SF 294371	7/15/21	8.500	41,808	43,924
GNMA 1 SF 294485	6/15/21	8.500	5,435	5,710
GNMA 1 SF 295503	7/15/21	8.500	182,693	191,941
GNMA 1 SF 296059	5/15/21	8.500	66,442	69,805
GNMA 1 SF 296567	2/15/21	8.500	87,476	91,904
GNMA 1 SF 298100	5/15/21	8.500	40,349	42,392
GNMA 1 SF 298323	6/15/21	8.500	252,668	265,459
GNMA 1 SF 298355	9/15/21	8.500	8,946	9,399
GNMA 1 SF 298516	5/15/21	8.500	46,464	48,816
GNMA 1 SF 298598	12/15/21	8.500	1,078,221	1,132,800
GNMA 1 SF 298756	5/15/21	8.500	31,035	32,606
GNMA 1 SF 299113	6/15/21	8.500	76,530	80,403
GNMA 1 SF 299457	5/15/21	8.500	51,254	53,849
GNMA 1 SF 299966	6/15/21	8.500	15,853	16,656
GNMA 1 SF 300164	6/15/21	8.500	17,324	18,201
GNMA 1 SF 300180	7/15/21	8.500	16,046	16,858
GNMA 1 SF 301253	7/15/21	8.500	24,092	25,312
GNMA 1 SF 301296	5/15/21	8.500	49,911	52,437
GNMA 1 SF 301362	5/15/21	8.500	114,943	120,761
GNMA 1 SF 301691	7/15/21	8.500	95,230	100,050
GNMA 1 SF 302066	6/15/21	8.500	7,199	7,563
GNMA 1 SF 303333	6/15/21	8.500	290,555	305,263
GNMA 1 SF 304083	7/15/21	8.500	3,578	3,759
GNMA 1 SF 304222	4/15/21	8.500	96,578	101,467

WASHINGTON STATE INVESTMENT BOARD

Retirement Funds

Schedule of Investments - Unaudited

June 30, 1999

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OF SHARES</u>	<u>BOOK AND MARKET VALUE</u>
GNMA 1 SF 304229	7/15/21	8.500	24,002	25,217
GNMA 1 SF 304677	8/15/21	8.500	63,890	66,598
GNMA 1 SF 304909	3/15/21	8.500	5,189	5,452
GNMA 1 SF 305295	7/15/21	8.500	89,623	94,160
GNMA 1 SF 305397	5/15/21	8.500	120,015	126,090
GNMA 1 SF 305680	8/15/21	8.500	108,868	114,379
GNMA 1 SF 305722	6/15/21	8.500	16,045	16,857
GNMA 1 SF 305800	5/15/21	8.500	191,998	201,717
GNMA 1 SF 305900	7/15/21	8.500	21,640	22,736
GNMA 1 SF 305956	7/15/21	8.500	31,803	33,413
GNMA 1 SF 305957	6/15/21	8.500	56,809	59,684
GNMA 1 SF 306080	8/15/21	8.500	49,297	51,792
GNMA 1 SF 306129	10/15/21	8.500	102,314	107,493
GNMA 1 SF 306346	6/15/21	8.500	34,973	36,744
GNMA 1 SF 306448	7/15/21	8.500	132,888	139,614
GNMA 1 SF 306540	10/15/21	8.500	68,838	72,323
GNMA 1 SF 306617	5/15/21	8.500	219,173	230,267
GNMA 1 SF 306673	8/15/21	8.500	176,035	184,946
GNMA 1 SF 306871	6/15/21	8.500	339,057	356,220
GNMA 1 SF 307150	7/15/21	8.500	20,950	22,011
GNMA 1 SF 307425	11/15/21	8.500	259,800	272,951
GNMA 1 SF 307608	6/15/21	8.500	35,660	37,466
GNMA 1 SF 307626	7/15/21	8.500	116,213	122,096
GNMA 1 SF 307705	5/15/21	8.500	303,358	318,714
GNMA 1 SF 307780	6/15/21	8.500	104,186	109,460
GNMA 1 SF 307793	5/15/21	8.500	15,018	15,778
GNMA 1 SF 307797	5/15/21	8.500	227,213	238,715
GNMA 1 SF 307859	5/15/21	8.500	169,634	178,221
GNMA 1 SF 307895	6/15/21	8.500	219,161	230,254
GNMA 1 SF 307914	6/15/21	8.500	113,347	119,084
GNMA 1 SF 307926	6/15/21	8.500	72,103	75,753
GNMA 1 SF 307938	6/15/21	8.500	65,757	69,086
GNMA 1 SF 308571	5/15/21	8.500	42,637	44,796
GNMA 1 SF 308658	5/15/21	8.500	115,415	121,258
GNMA 1 SF 308905	7/15/21	8.500	103,013	108,228
GNMA 1 SF 309021	6/15/21	8.500	30,535	32,081
GNMA 1 SF 309220	5/15/21	8.500	90,977	95,582
GNMA 1 SF 309221	5/15/21	8.500	76,972	80,868
GNMA 1 SF 309442	7/15/21	8.500	52,123	54,762

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GNMA 1 SF 309461	8/15/21	8.500	13,310	13,984
GNMA 1 SF 309875	8/15/21	8.500	107,073	112,493
GNMA 1 SF 309950	7/15/21	8.500	221,014	232,202
GNMA 1 SF 310213	6/15/21	8.500	156,550	164,475
GNMA 1 SF 310334	8/15/21	8.500	73,439	77,157
GNMA 1 SF 310529	7/15/21	8.500	53,485	56,193
GNMA 1 SF 310530	7/15/21	8.500	190,040	199,660
GNMA 1 SF 310562	8/15/21	8.500	109,703	115,257
GNMA 1 SF 310595	9/15/21	8.500	45,577	47,884
GNMA 1 SF 310843	8/15/21	8.500	309,513	325,180
GNMA 1 SF 311090	8/15/21	8.500	13,848	14,549
GNMA 1 SF 311340	8/15/21	8.500	56,195	59,039
GNMA 1 SF 311350	11/15/21	8.500	61,874	65,006
GNMA 1 SF 311660	7/15/21	8.500	36,678	38,534
GNMA 1 SF 311807	8/15/21	8.500	42,563	44,717
GNMA 1 SF 311994	7/15/21	8.500	113,303	119,038
GNMA 1 SF 312980	12/15/21	8.500	117,344	123,284
GNMA 1 SF 313010	7/15/21	8.500	52,734	55,403
GNMA 1 SF 313022	8/15/21	8.500	270,407	284,095
GNMA 1 SF 313176	7/15/21	8.500	86,488	90,866
GNMA 1 SF 313225	10/15/21	8.500	100,534	105,623
GNMA 1 SF 313899	10/15/21	8.500	13,360	14,037
GNMA 1 SF 315047	10/15/21	8.500	166,316	174,735
GNMA 1 SF 315174	7/15/22	8.500	172,306	180,706
GNMA 1 SF 316731	9/15/21	8.500	76,520	80,394
GNMA 1 SF 316739	11/15/21	8.500	168,880	177,429
GNMA 1 SF 319273	11/15/21	8.500	732,693	769,782
GNMA 1 SF 323069	4/15/22	8.500	132,836	139,311
GNMA 1 SF 323417	5/15/22	8.500	166,732	174,861
GNMA 1 SF 324927	5/15/22	8.500	129,718	136,041
GNMA 1 SF 780052	12/15/08	7.000	11,582,870	11,691,402
GNMA 1 SF344991	7/15/23	7.500	223,758	226,693
GNMA 1 SF348915	8/15/23	7.500	943,312	955,688
GNMA 1 SF351889	8/15/23	7.500	649,718	658,243
GNMA 1 SF354008	4/15/23	7.500	170,930	173,173
GNMA 1 SF355249	8/15/23	7.500	694,068	703,174
GNMA 1 SF357258	9/15/23	7.500	966,195	978,871
GNMA 1 SF358214	6/15/23	7.500	1,078,149	1,092,294
GNMA 1 SF364223	10/15/23	7.500	1,149,486	1,164,567

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GNMA 1 SF375092	7/15/25	7.500	1,269,743	1,284,815
GNMA 1 SF378496	10/15/23	7.500	1,379,756	1,397,858
GNMA 1 SF379646	8/15/25	7.500	1,130,154	1,143,569
GNMA 1 SF389658	7/15/25	7.500	1,279,412	1,294,598
GNMA 1 SF390366	7/15/25	7.500	1,161,596	1,175,384
GNMA 1 SF397840	7/15/25	7.500	1,417,212	1,434,034
GNMA 1 SF399725	7/15/25	7.500	1,142,744	1,156,309
GNMA 1 SF407645	7/15/25	7.500	1,001,123	1,013,006
GNMA 1 SF410088	8/15/25	7.500	3,112,865	3,149,815
GNMA 1 SF410615	7/15/25	7.500	1,431,464	1,448,456
GNMA 1 SF413883	7/15/25	7.500	695,341	703,594
GNMA 1 SF780166	6/15/25	7.500	1,077,299	1,091,433
GNMA 1 SSF 342587	12/15/22	8.500	108,062	113,330
GNMA GP 90133	5/15/09	9.000	247,038	260,591
GNMA GP 90150	8/15/09	9.000	68,475	72,231
GNMA GP 90178	5/15/09	9.000	88,602	93,463
GNMA GP 91485	5/15/09	9.000	171,229	180,623
GNMA I SF 352964	5/15/24	7.000	10,939,425	10,853,989
GNMA I SF 389464	3/15/24	6.500	1,610,105	1,561,287
GNMA II SF 120666	9/15/14	13.000	31,871	36,804
GNMA PL 325672	11/15/23	7.000	344,345	341,869
GNMA PL 346878	11/15/23	7.000	15,294,983	15,185,012
GNMA PL 357234	11/15/23	7.000	7,376,337	7,323,301
GNMA PL 364870	1/15/24	7.000	12,424,963	12,327,925
GNMA PL 366529	11/15/23	6.500	927,379	899,261
GNMA PL 368817	11/15/23	7.000	648,651	643,987
GNMA PL 370890	11/15/23	7.000	11,263,355	11,182,372
GNMA PL 372887	10/15/23	6.500	658,539	638,572
GNMA POOL # 354778	3/15/09	7.000	5,541,776	5,593,702
GNMA SF 11025	11/15/05	7.250	61,881	62,575
GNMA SF 21705	6/15/08	8.250	216,098	225,421
GNMA SF 22602	5/15/08	8.250	110,247	115,004
GNMA SF 2733	6/15/03	6.500	31,775	31,472
GNMA SF 34245	12/15/09	10.000	298,254	315,335
GNMA SF 35292	1/15/10	10.000	179,114	189,714
GNMA SF 35888	12/15/09	10.000	153,726	162,823
GNMA SF 36127	11/15/09	10.000	44,860	47,429
GNMA SF 3617	10/15/03	7.000	100,024	100,187
GNMA SF 37913	12/15/09	10.000	245,544	259,606

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GNMA SF 39407	1/15/10	10.000	66,830	70,657
GNMA SF 45231	12/15/10	10.500	137,074	146,649
<i>TOTAL PASS THROUGH MORTGAGES</i>				<u>\$ 413,056,677</u>
<i>FHA PROJECT / SBA LOANS</i>				
AUBURN VILLA	2/2/18	7.500	806,064	801,453
BEVERLY FINANCE CORP 144A	7/15/04	8.360	10,000,000	10,393,600
BURIEN HAUS	12/1/17	7.500	495,958	494,966
FHA PRJ-REILLY MTG GRP #55	3/1/24	7.430	7,942,080	7,765,210
FOXCROFT APTS	11/1/18	7.500	3,626,094	3,531,960
GNMA 383716 LOWELL EMERSON APT	3/15/29	7.000	4,433,308	4,392,033
MANZANITA MANOR	12/1/17	7.500	816,921	815,287
MISSION TOWERS	6/1/18	7.500	1,739,648	1,737,978
PINECREST APT/JACK NETTLESHIP	2/1/12	8.500	476,859	476,067
PRES JAMES MONROE MANOR	6/1/13	7.000	1,575,850	1,432,148
ST MARY'S COMMUNITY HOSP	8/1/01	8.000	91,843	91,695
SUTTER VILLAGE	2/2/18	7.500	848,907	844,051
TERRACE MANOR	7/1/00	7.500	364,429	363,624
THE COTTAGES/WILDWOOD APTS	5/1/18	7.500	1,003,057	985,871
WATERS EDGE APTS	12/1/17	7.500	2,135,135	2,130,865
<i>TOTAL FHA PROJECT/SBA LOANS</i>				<u>\$ 36,256,808</u>
<i>FHA / VA RESIDENTIAL</i>				
BANCBOSTON (MERIDIAN)	12/1/99	6.750	967	928
CONTINENTAL MTG	4/1/03	7.300	25,122	24,430
EXECUTIVE HOUSE	6/1/11	11.500	14,372	14,537
FARMER'S HOME NOTES	8/3/08	7.350	2,610	2,610
FLEET REAL EST FUNDING	3/1/00	7.500	1,035	1,031
GNMA POOL 404208	7/15/28	7.000	4,966,681	4,912,345
GNMA POOL 458902	7/15/28	7.000	7,043,597	6,966,540
GNMA POOL 458909	7/15/28	7.000	5,588,019	5,526,886
GNMA POOL 463999	7/15/28	7.000	4,187,654	4,141,841
GNMA POOL 471729	7/15/28	7.000	4,280,084	4,233,260
GNMA POOL 471774	7/15/28	7.000	4,692,113	4,640,781
GNMA POOL 471802	7/15/28	7.000	3,547,249	3,508,442
GNMA POOL 471803	7/15/28	7.000	3,314,650	3,278,388
GNMA POOL 480120	7/15/28	7.000	8,403,031	8,311,102

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IST NATIONWIDE MORTGAGE	1/1/02	6.750	28,517	28,145
METMOR FINANCIAL	2/1/02	6.630	5,839	5,633
NATIONSBANC	11/1/01	6.750	13,429	13,539
NATIONSBANC	3/1/02	6.000	29,896	29,395
SEATTLE MORTGAGE CO	7/1/02	6.750	59,013	62,145
SOURCE ONE	8/1/03	5.850	95,921	88,339
U S MORTGAGE	12/1/01	7.000	7,588	7,218
U S MORTGAGE	4/1/03	7.000	59,024	58,768
<i>TOTAL FHA/VA RESIDENTIAL</i>				<u>\$ 45,856,303</u>
CONVENTIONAL COMMERCIAL LOANS				
205 ASSOCIATES INC	7/15/07	8.430	4,607,943	4,607,943
2233, LP	8/15/06	8.080	6,418,086	6,418,086
300 CHUBB AVENUE, LLC	1/1/10	7.830	3,340,926	3,340,926
A&A EXEC CENTER II, LLC	2/15/04	7.820	5,271,205	5,271,205
BOHANNON TRUSTS PARTNERSHIP II	8/10/11	8.040	1,958,967	1,958,967
CABO ASSOCIATES LP	3/1/03	7.280	15,260,000	15,260,000
CCSF-ADC, INC	2/1/06	7.270	5,198,306	5,198,306
CCSFERS BROOKHOLLOW	1/15/07	7.680	5,499,562	5,499,562
CCSFERS SACRAMENTO (1), INC	2/1/06	7.270	3,308,013	3,308,013
CCSFERS STADIUM BUSINESS (3),	2/1/06	7.270	4,725,733	4,725,733
CLB PROP & CARL COPPOLA	6/15/06	7.550	2,783,191	2,783,191
CMS INVESTORS	10/15/06	8.200	3,350,445	3,350,445
COMMERS KLODT III	3/15/12	7.890	2,970,789	2,970,789
CSM INVESTOR INC	10/15/06	8.050	4,236,795	4,236,795
EJM DEVELOPMENT CO	6/15/06	7.890	4,639,904	4,639,904
EQUITY ONE (COMMONWEALTH) INC	2/15/18	7.000	3,194,085	3,194,085
FIFTH AVENUE KOP LP	9/10/07	8.010	6,733,380	6,733,380
FULCRUM MCKINNEY PLAZA LTD	12/15/07	7.300	11,732,190	11,732,190
GWINNETT 316 ASSOCIATES	1/22/06	7.450	1,966,403	1,966,403
GWINNETT 316 ASSOCIATES	5/15/16	7.850	2,783,580	2,783,580
HANOVER ASSOCIATES, LP	2/15/07	7.610	2,865,104	2,865,104
HOLLISTER 1997 LLC	5/15/07	8.100	6,872,426	6,872,426
JEMCO PROPERTIES	11/15/07	7.630	4,398,889	4,398,889
JEMMSONS PROPERTIES CO	5/15/10	7.180	5,997,350	5,997,350
KERZNER ASSOCIATES	4/15/06	7.250	2,578,014	2,578,014
LANZCE J. DOUGLAS	8/1/15	8.670	3,052,973	3,053,028
MCDOWELL CORNERS II, LLC	5/15/15	8.040	3,963,807	3,963,807

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MENLO BUSINESS PARK ASSOC, LLC	10/15/16	8.500	4,243,203	4,243,203
MORRISTOWN PLAZA ASSOC LLC	7/15/07	8.060	6,995,149	6,995,149
OKD TWO LTD	10/15/07	7.540	2,596,941	2,596,941
ONE CALIFORNIA STREET PARTNERS	11/1/06	7.790	19,682,185	19,682,185
PANOS ENTERPRISES	9/1/12	7.360	12,577,917	12,577,917
PANOS PROPERTIES LLC I	1/1/13	7.320	13,705,647	13,705,647
PANOS PROPERTIES LLC II	9/1/12	7.360	3,260,938	3,260,938
PANTHEON - JH PROPERTIES LLC	5/15/07	8.170	4,392,368	4,392,368
PLAZA EXECUTIVE CTR TRUST	6/15/07	8.380	6,896,557	6,896,557
PS BUSINESS PARKS LC	3/15/07	8.190	6,752,282	6,752,282
REIMER-CRANE INVESTMENT CO LP	9/15/08	7.220	2,702,615	2,702,615
SILVER OAK ASSOCIATES LTD	6/15/12	8.320	4,078,478	4,078,478
SUMMIT REIT	7/15/12	8.250	10,650,000	10,650,000
VICTOR J. MAGGITT JR.	11/15/05	8.440	702,959	702,959
YOUNG VENTURES, LP	2/15/12	7.880	5,099,026	5,099,026
ZOLINE FAMILY PARTNERSHIP	1/15/07	7.570	822,451	822,451
<i>TOTAL CONVENTIONAL COMMERCIAL LOANS</i>				<u>\$ 234,866,838</u>
CONVENTIONAL RESIDENTIAL MORTGAGES				
BANK OF AMERICA	3/1/10	11.250	104,769	105,897
BANK OF AMERICA	4/1/10	11.000	112,018	113,241
FHLMC GOLD 1998 PL C00650	9/1/28	7.000	8,849,577	8,777,630
FNMA POOL 252162	12/1/28	6.500	35,157,356	34,003,491
FNMA POOL 323215	7/1/13	6.000	2,806,772	2,716,422
FNMA POOL 349653	11/1/13	6.000	3,743,286	3,622,790
FNMA POOL 444885	11/1/13	6.000	6,820,289	6,600,744
FNMA POOL 446474	11/1/13	6.000	6,948,759	6,725,079
FNMA POOL 446762	11/1/13	6.000	13,077,897	12,656,919
FNMA POOL 451781	11/1/13	6.000	13,013,824	12,594,909
FNMA POOL 453597	11/1/13	6.000	10,744,558	10,398,691
FNMA POOL 455600	12/1/28	6.500	19,973,963	19,318,418
FNMA POOL 455819	12/1/28	6.500	4,982,477	4,818,953
NATIONSBANC	6/25/10	10.880	103,389	104,075
NATIONSBANC	9/1/10	12.250	8,894	9,170
NATIONSBANC	8/1/09	10.630	16,592	17,431
NATIONSBANC	12/1/09	10.630	77,297	81,628
<i>TOTAL CONVENTIONAL RESIDENTIAL MORTGAGES</i>				<u>\$ 122,665,488</u>

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REAL ESTATE LOANS (SMALL LOAN PROG)				
CRYSTAL & SUNSET HOUSE	9/15/06	10.330	871,269	871,269
DREBICK INVESTMENTS/CHANDLER C	12/15/01	10.000	2,348,988	2,348,988
HARBOR CLUB APTS	4/15/02	9.720	1,414,876	1,414,876
L & L LAND/ PORTCO	12/15/01	9.880	1,571,161	1,571,161
LA MIRADA (THOMAS MOORE)	3/15/01	9.880	531,882	531,882
MARINWOOD APT	12/15/00	10.380	672,834	672,834
MARVIN GARDEN APTS	6/15/01	10.380	3,527,246	3,527,246
MILLER VALENTINE PARTNERS	12/15/07	7.540	8,317,137	8,317,137
MURPHY'S LANDING	9/15/01	10.280	1,272,129	1,272,129
ROY STREET APARTMENTS	1/1/01	10.130	1,908,369	1,908,369
SHURGARD MINI-STORAGE	4/15/01	10.130	1,402,714	1,402,714
SPANISH HILLS APTS	5/15/01	9.880	1,867,631	1,867,631
TALISMAN APTS., DBSI INC.	1/15/01	9.750	2,816,470	2,816,470
VICTOR J. MAGGITI JR.	7/15/12	8.240	8,864,110	8,864,110
WENDOVER APARTMENTS	2/15/02	9.630	1,079,412	1,079,412
WILDERNESS WEST LTD	11/1/04	9.380	1,600,295	1,600,295
<i>TOTAL REAL ESTATE (SMALL LOANS)</i>				<u>\$ 40,066,523</u>
COLLATERALIZED MORTGAGE OBLIGATIONS				
BAMS 98/1	5/25/28	6.750	14,250,000	13,708,945
BEAR S MTG SEC INC 1993-08A6	8/25/24	6.500	15,110,000	15,072,225
BEAR STEARNS MTG 96-7A11	3/28/09	6.500	15,346,203	15,125,525
CHASE MTG FIN 1993-0 A4	12/25/09	5.900	13,538,942	13,399,220
CHASE MTG FIN 1993-0 A5	12/25/09	6.600	7,509,576	7,504,845
CHASE MTG FIN 1994-F A11	3/25/25	6.750	13,666,699	13,585,519
CHEM MTG SEC 1994-2 A2	2/25/24	6.500	24,172,625	24,006,317
CMC3 SECS CORP 1994-B A11	2/25/09	6.750	28,855,723	28,720,389
COM MTG ACEPT CORP 1998-C2 A3	9/15/30	6.040	15,000,000	14,149,219
COUNTRYWIDE 1998-19 A13	12/25/28	6.500	25,000,000	23,062,500
COUNTRYWIDE FDG CORP 1993-9 A5	1/25/09	6.500	18,827,931	18,251,231
COUNTRYWIDE MTG 1994-3 A7	3/25/24	6.750	8,613,148	8,578,092
COUNTRYWIDE MTG 1994-I CL A-11	7/25/09	6.250	22,724,000	21,793,679
CRIIMI MAE FIN CORP	1/1/33	7.000	6,364,721	6,159,650
CTFS VENDEE MTG TR 1992-1 2D	12/15/14	7.750	1,890,238	1,894,359
CWFC 1994-8 A7	4/25/09	6.000	15,383,588	14,888,390
CWMBS 1994-G A6	4/25/24	6.500	8,649,580	8,565,765

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DLJ CMC 1999-CG1 A-1B	1/10/09	6.460	30,000,000	28,947,656
DLJ MTG 1993-14 A2	8/25/23	6.630	6,507,000	6,356,493
DLJ MTG ACCEP CORP 1993-19 A-3	1/25/24	6.750	29,228,213	29,301,283
FHG 30 H	7/25/23	7.500	2,200,000	2,235,046
FHLMC 14121	5/15/21	6.750	10,811,000	10,719,755
FHLMC 1671 G	8/15/23	6.500	40,750,141	40,508,085
FHLMC 1675 Q	2/15/24	6.500	12,564,000	11,951,505
FHLMC 1702 B TC	11/15/22	6.500	5,000,000	4,968,750
FHLMC 1706 H	6/15/23	6.500	11,000,000	10,934,660
FHLMC 1727 Z	5/15/24	6.250	13,728,430	12,063,858
FHLMC 1992 1233 H	4/15/07	7.000	8,744,000	8,834,151
FHLMC 1992 1341 J	8/15/06	7.000	20,500,000	20,685,730
FHLMC 1992 1396 E	3/15/22	7.000	6,000,000	5,913,720
FHLMC 1993 1475 Y4	4/15/05	6.500	17,990,328	17,984,571
FHLMC 1993 1584 G	9/15/18	6.000	16,903,000	16,818,485
FHLMC 1993 1591 PN	6/15/19	5.950	10,000,000	9,940,600
FHLMC 1994 1709 D	12/15/23	6.500	8,387,000	8,261,195
FHLMC 1996 1843A	4/15/19	6.500	21,450,084	21,570,634
FHLMC 1998 2046 G	4/15/28	6.500	16,600,000	15,360,146
FHLMC 1998 2070 C	7/15/28	6.000	26,744,000	23,944,238
FHLMC 1998 2080 C	8/15/28	6.500	25,000,000	22,914,063
FHLMC 1999 2113 VB	11/15/15	6.000	16,700,000	15,186,563
FHLMC 2139-B	3/15/29	6.500	21,454,000	20,093,012
FHLMC 90 1006C	10/15/20	9.150	2,452,389	2,580,355
FHLMC 93 1475 Y7	4/15/05	5.950	11,740,488	11,722,056
FIRST UNION LEHMA BRO 98-C2 A2	11/18/08	6.560	41,115,000	40,103,571
FNMA 1991-13Z	3/25/21	8.250	21,357,434	21,964,625
FNMA 1993 06 Y5	12/25/04	6.750	6,055,816	6,042,554
FNMA 1993 134GB	1/25/08	6.500	19,000,000	19,011,780
FNMA 1993 137 PE	4/24/07	5.800	8,030,433	8,007,787
FNMA 1993 166E	1/25/17	5.750	15,747,910	15,703,501
FNMA 1993 201 H	9/25/21	6.500	21,000,000	20,921,250
FNMA 1993 28 Y6	3/25/08	7.000	21,727,000	21,794,788
FNMA 1993 44 PH	5/25/19	6.750	25,000,000	24,976,500
FNMA 1993 50 FW	1/25/22	5.500	15,987,000	15,082,615
FNMA 1993 53H	1/25/22	5.750	25,000,000	23,867,000
FNMA 1993 56 P6	2/25/21	6.750	10,000,000	9,990,600
FNMA 1993 85G	3/25/08	6.500	6,093,816	6,110,940
FNMA 1993 95 Y5	4/25/08	6.750	21,012,900	21,104,726

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FNMA 1994 39PG	6/25/20	6.150	26,097,000	26,007,226
FNMA 1994 40 O	3/25/24	6.500	6,750,000	6,564,375
FNMA 1994 40 Y6	6/25/22	6.000	35,000,000	34,277,950
FNMA 1994 41FJ	6/25/23	6.500	25,000,000	24,804,500
FNMA 1994 50 PG	1/25/23	6.500	25,160,900	25,050,695
FNMA 1994 62 PH	11/25/23	6.900	10,000,000	10,062,500
FNMA 1996-1 A	12/25/08	6.000	35,862,124	34,024,190
FNMA 1997-41 E	8/18/21	7.500	25,000,000	25,210,750
FNMA G1993-15 H	4/25/23	7.250	5,100,000	5,026,662
FNMA G1994-2D	1/25/24	6.450	5,000,000	4,873,400
FNR 1999-19 VB	5/25/14	6.500	29,879,000	28,917,195
GE CAP MTG 1994-10A15	3/25/24	6.500	18,046,608	17,995,717
GE CAP MTG 1994-9 A4	2/25/24	6.500	13,642,000	13,620,582
GE CAP MTG 1996-8 2A3	8/25/05	7.000	9,729,741	9,750,952
GE CAP MTG SERV 1994-1 A8	1/25/24	6.500	13,000,000	12,451,530
GE CAP MTG SERV 1994-7 A11	2/25/09	6.000	15,643,000	15,193,264
GE CAP MTG SVCS 98-3 A1	1/25/28	7.000	25,000,000	23,968,750
GE CAP MTG SVCS INC 96-17 2-A3	12/25/01	7.250	201,221	200,529
GE CAPITAL MTG 1994-12 A-12	3/25/09	6.000	15,042,000	14,487,251
GE CAPITAL MTG SERV 1993-10A11	9/25/23	6.500	7,220,000	7,077,838
GE CAPITAL MTG SVC 94-8 A8	2/25/24	6.000	24,461,083	22,878,695
GECMS 1998-21 A3	11/1/28	6.250	24,858,501	22,994,113
GNMA 1994-4 PH	10/16/22	7.500	27,545,200	28,061,673
GNMA 1996 19A CL H	1/1/49	7.000	34,604,779	34,907,571
GNMA 1998-14 PH	6/20/28	6.500	25,000,000	23,260,000
HEADLANDS 1997-3 A15 CMO	7/25/27	7.750	17,364,307	17,407,718
HOUSING SEC 1994-3 A7	11/25/24	7.250	15,000,000	14,616,000
MORGAN STANLEY CAP 1998-HF2 A2	11/15/30	6.480	24,759,000	24,089,733
MORGAN STANLEY CAP 198-HF1 A2	1/15/08	6.520	41,025,000	40,101,938
MSC 1999 FNV1 A2	3/15/32	6.530	49,600,000	48,336,750
NASCOR 98-10 A5	5/25/28	6.750	30,000,000	28,617,000
NORWEST ASSET SEC 96-1 A5	8/25/26	7.500	7,362,216	7,350,657
NORWEST ASSET SECS 1996-4 A-16	9/25/26	7.000	6,800,000	6,806,324
NORWEST ASST SEC 97-3 A4	3/25/27	7.250	39,518,000	39,715,590
NSCOR 1998-33 A5	1/25/29	6.250	37,800,000	34,666,380
PMAC 1999-C1 A2 CMBS	4/15/09	6.820	21,735,000	21,534,603
PRU HM MTG 1993-26 A5 CMO	7/25/08	6.500	3,147,206	3,139,338
PRU HOME 93-43 A7	10/25/23	6.750	17,281,425	16,887,063
PRU HOME MTG 1994-17 A4	4/25/24	6.250	10,321,000	9,572,728

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PRUD HOME MTG SECS 1993-38 A-3	8/25/23	6.150	10,798,907	10,727,958
FRUHOME MTG 1993-22 A5	7/23/25	6.500	9,857,936	9,784,002
FRUHOME MTG 1993-39 AB	10/25/08	6.500	27,065,816	26,887,993
FRUHOME MTG 1993-44 A18	11/25/23	6.750	10,000,000	9,650,000
RAST 1997-A5 A18 CMO	7/25/27	7.750	27,500,000	27,542,900
RAST 98-A6	7/25/28	6.750	30,000,000	28,757,400
RES FDG MTG SEC 99-S10 A2	4/25/14	6.250	18,409,000	17,304,460
RES FDG MTG SEC I 1996-S24 A-6	12/25/03	7.250	3,211,950	3,206,907
RESIDENT FD MG 93-S47A17	12/25/23	6.500	1,840,205	1,833,875
RESIDENTIAL FD MTG 94-S5 A8	2/25/24	6.500	11,339,719	10,939,200
RESIDENTIAL FD MTG S43 A7	11/25/23	6.500	4,798,000	4,508,585
RESIDENTIAL FDG 97-S11 A7	8/25/12	7.000	18,552,769	18,413,623
RESIDENTIAL FDG MTG 96-S3 A5	1/25/26	7.250	14,481,665	14,291,521
RFMSI 1998/S8 M1	4/25/28	6.750	12,724,103	11,936,863
RFMSI 98-S8	4/25/28	6.750	40,000,000	37,612,400
RFMSI 98/S10 A4	1/25/22	6.750	24,742,050	24,061,644
RFMSIO1993-S22A6	6/25/23	7.000	3,421,574	3,423,695
SASI 1993-7 TA7	12/25/23	6.250	25,509,146	23,372,755
SECUR ASSET SALES 1993-2 A10	7/25/08	6.500	8,693,000	8,445,771
<i>TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS</i>				<u>\$ 1,960,155,997</u>
<i>TOTAL MORTGAGES/MORTGAGE BACKED SECURITIES</i>				<u>\$ 2,852,924,634</u>
ASSET BACKED SECURITIES:				
AFC MTG LN CERT 1997-2 1A3 ABS	6/25/27	6.760	4,998,915	4,991,066
AFC MTG LN TR	3/25/28	6.610	4,187,852	4,176,043
AFC MTG LN TR	3/25/28	7.030	11,500,000	11,564,630
CAT FIN ASSET TR ABS	5/25/02	6.300	4,027,108	4,032,343
CENTEX HM EQ LN TR 98-1 A4 ABS	3/25/29	6.400	11,500,000	11,273,600
CENTEX HOME EQ 98-2 A5 ABS	7/25/28	6.410	12,700,000	12,374,563
CIT RV TRUST 97-A A7 ABS	8/15/13	6.400	24,700,000	24,784,906
CITRV 1999-A A5	8/15/15	6.240	15,220,000	15,085,636
CROWN HOME EQUITY LOAN TR	1/25/24	6.510	5,799,772	5,786,200
DIST FINL SVCS RV TR 99-1 A6	11/15/16	6.020	16,866,000	16,649,904
EQUICREDIT HEQ 1997-3 A5 ABS	9/15/12	6.450	18,330,000	18,384,422
EQUICREDIT HM EQ 1997-2 A7 ABS	2/15/20	6.890	36,269,000	36,421,330
FIDELITY GRANTOR 1996-1 144A	12/15/02	6.850	5,509,242	5,513,650
FIRSTPLUS HOME LN TR 1996-4 A5	7/10/11	6.530	32,495,000	32,618,481

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FIRSTPLUS HOME LN TR 1996-4 A6	8/10/14	6.870	25,000,000	25,277,500
FLEETWOOD CR GR TR 1996-B CL A	3/15/13	6.900	14,242,638	14,326,669
FNMA 95-W1 A7	4/25/25	8.200	10,000,000	10,332,800
IMC HM EQ 1997-2 A4 ABS	6/20/16	7.250	10,000,000	10,037,500
LEHMAN HM EQ LN TR 98-3 A4 ABS	11/15/15	6.480	18,694,000	18,457,409
METRIS MASTER TR 1997-1 A	10/15/05	6.870	25,000,000	25,195,250
PREMIER AUTO TR	10/6/00	6.580	18,801,558	18,854,390
PROV BK HEQ LN TR 97-B A2 ABS	9/25/04	6.530	12,481,381	12,465,780
STANDARD CR CARD MASTER TRUST	4/7/06	7.250	12,000,000	12,285,000
STD CR CARD 1995-9A ABS	10/7/07	6.550	15,000,000	14,943,750
THE MONEY ST HM EQ TR 95-B A11	3/15/08	6.650	51,467	51,527
UCFC HEQ 1997-B A3 ABS	7/15/16	6.660	19,235,442	19,510,509
WFS FINANCIAL 1997-C ABS	3/20/05	6.300	25,000,000	25,072,500
TOTAL ASSET BACKED SECURITIES				\$ 410,467,356
CORPORATE OBLIGATIONS - DOMESTIC:				
360 COMMUNICATIONS CO	3/1/06	7.500	13,900,000	14,414,995
360 COMMUNICATIONS CO	4/1/09	7.600	14,000,000	14,534,100
ADOLPH COORS CO	7/15/02	6.760	15,000,000	14,934,450
AEGON NV	8/15/06	8.000	12,840,000	13,536,955
AIRTOUCH COMM	7/15/06	7.500	15,000,000	15,580,650
ALBERTSON'S INC	6/15/26	7.750	10,000,000	10,360,000
AMER HEALTH PROP	1/5/07	7.500	7,000,000	6,467,160
AMERICAN STORES	5/15/05	7.400	15,100,000	15,227,444
AMERICAN STORES	6/1/26	8.000	35,000,000	37,623,250
ANR PIPELINE	2/15/24	7.380	10,000,000	9,850,500
ASSOCIATES CORP NORTH AME	9/30/01	7.880	10,000,000	10,343,500
ASSOCIATES CORP NORTH AMER	6/15/01	6.000	6,700,000	6,665,495
AT & T CORP	3/15/09	6.000	50,000,000	46,989,500
AT & T CORP	3/15/04	5.630	77,000,000	74,507,510
ATLANTIC RICHFIELD MTN	6/20/01	8.950	5,000,000	5,256,500
B F PROPERTIES	2/25/02	7.500	672,758	670,908
BANK OF NEW YORK	7/15/02	7.630	10,000,000	10,340,500
BANK ONE CORP	8/1/02	7.250	7,000,000	7,177,520
BANK ONE CORP	9/15/03	8.740	16,000,000	17,179,680
BANKAMERICA CORP	5/15/10	6.600	13,285,000	12,780,834
BEAR STEARNS & CO	8/1/03	6.700	10,000,000	9,963,600
BEAR STEARNS CO	1/15/04	6.630	10,000,000	9,912,700

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BENEFICIAL CORP MTN	9/26/02	6.600	25,000,000	24,931,000
BENEFICIAL FIN	11/15/99	7.300	2,000,000	2,011,840
BNY CAPITAL I	12/31/26	7.970	25,000,000	24,939,500
BOEING CO	8/15/21	8.750	20,000,000	23,227,400
BOEING CO	2/15/38	6.630	25,000,000	22,438,750
BOMBARDIER CAPITAL INC 144A	1/15/02	6.000	25,000,000	24,567,500
BRASCAN LTD	10/1/02	7.380	22,000,000	21,985,700
BROAD RAFAEL PROPERTIES	6/1/00	10.250	3,072,679	3,094,219
BURLINGTON NO SANTA FE	12/15/05	6.380	6,250,000	6,096,938
BURLINGTON NORTHERN INC	8/1/02	7.000	25,000,000	25,367,250
CANADIAN NATIONAL RAILWAY CO	7/15/28	6.900	50,000,000	47,005,000
CARGILL INC	10/1/25	7.380	8,000,000	7,888,800
CARGILL INC	9/1/06	7.500	10,000,000	10,015,400
CARGILL INC MTN	6/18/27	7.410	7,800,000	8,014,110
CARNIVAL CRUISE	10/1/23	7.200	14,000,000	13,533,100
CARTER HOLT HARVEY LTD	12/1/04	8.880	7,250,000	7,611,340
CARTER HOLT HARVEY LTD	12/1/24	9.500	12,000,000	13,192,080
CASE CORP	8/1/05	7.250	22,000,000	21,804,420
CASE CORPORATION	10/21/07	6.750	11,500,000	10,980,430
CASE CREDIT	2/15/03	6.130	35,000,000	33,896,100
CENTRAL BANKSHARES OF THE SOUT	5/1/03	7.000	10,000,000	10,023,000
CHESAPEAKE & POTOMAC TEL MD	10/1/08	6.630	1,000,000	1,008,710
CHESAPEAKE & POTOMAC TEL WA	2/1/09	7.000	100,000	100,832
CINCINNATI GAS & ELEC	6/1/25	6.900	30,000,000	30,170,100
CIRCUS CIRCUS ENTERPRISE	2/1/06	6.450	9,000,000	8,198,640
CITICORP	5/1/05	7.630	17,000,000	17,555,390
CITICORP CAPITAL	2/15/27	8.020	50,000,000	50,157,500
COLONIAL PIPELINE, 144A	8/15/07	7.450	10,000,000	10,436,400
COLORADO INTERSTATE GAS	6/15/05	10.000	12,595,000	14,245,575
COMMERCIAL CREDIT CO	9/15/02	6.380	12,470,000	12,460,523
CONAGRA	9/15/04	7.400	26,000,000	26,802,620
CONAGRA INC.	10/1/28	7.000	45,000,000	42,122,250
CONRAIL	6/15/20	9.750	10,000,000	12,130,300
CORP ANDINA DE FOMENTO	3/15/05	6.750	20,000,000	18,645,000
CS FIRST BOSTON	5/15/06	7.750	20,000,000	20,362,600
CSX CORP	5/15/22	8.630	10,000,000	11,082,500
CSX CORP	8/15/06	9.000	28,100,000	31,042,351
CSX CORP	5/1/27	7.950	50,000,000	51,674,500
DEAN WTRR DISCV	3/1/03	6.880	5,000,000	5,067,500

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DEAN WTRR DISCV	10/15/13	6.750	10,000,000	9,691,900
DEER PARK REFINING LP 144A	12/15/08	6.470	4,165,150	4,175,771
DEERE & CO	6/15/19	8.950	9,000,000	9,839,520
DEERE & CO	10/1/28	6.550	10,000,000	8,863,900
DEN DANSKE BANK	6/15/10	7.400	50,000,000	50,759,000
DIMONT CORP	3/1/06	9.880	1,745,648	1,745,648
DONALDSON LUFKIN JENRETTE	11/1/05	6.880	10,000,000	9,863,400
DR INVESTMENTS 144A	5/15/02	7.100	10,000,000	10,091,000
DUKE CAPITAL CORP	7/15/05	6.250	15,000,000	14,493,600
DUKE CAPITAL CORP	7/15/18	6.750	10,000,000	9,731,700
EASTMAN CHEMICAL	2/1/27	7.600	20,000,000	19,514,000
ELEC DATA SYSTEM	5/15/05	7.130	15,000,000	15,168,750
ENRON CORP	7/15/28	6.950	10,000,000	9,126,700
ENRON CORP	7/15/06	6.400	10,000,000	9,627,600
ENRON CORP	5/15/19	7.380	50,000,000	48,765,000
EOP OPERATING LP 144A	2/15/03	6.380	6,000,000	5,864,160
EOP OPERATING LTD PARTNERSHIP	6/15/04	6.500	25,000,000	24,303,000
ERP OPERATING LP	4/13/05	6.630	25,000,000	24,121,500
EXPORT IMPORT BK KOREA	2/10/02	6.500	22,500,000	21,740,850
FALCONBRIDGE LTD	11/1/06	7.350	30,000,000	28,463,100
FBG FINANCE LTD	11/15/05	6.750	20,000,000	20,008,800
FBG FINANCE LTD	6/1/16	7.880	27,000,000	28,309,500
FEDERATED DEPARTMENT STORES	2/15/28	7.000	10,000,000	9,271,100
FEDERATED DEPT STORES 144A	4/1/09	6.300	20,000,000	18,741,800
FIRST UNION INST CAP I	12/1/26	8.040	20,000,000	20,132,400
FIRST WARD PROPERTIES	11/15/06	8.000	1,671,705	1,646,896
FLORIDA GAS TRANSMISSION	11/1/04	8.630	8,000,000	8,688,960
FORD CAPITAL BV	7/1/01	9.500	5,000,000	5,286,750
FORD MOTOR CO	2/15/28	6.630	25,000,000	22,534,500
FORD MOTOR CR CORP MTN	3/29/00	7.600	5,000,000	5,066,100
FORD MOTOR CREDIT	9/10/02	6.550	37,000,000	37,084,730
FORD MOTOR CREDIT CORP	11/15/02	7.750	10,000,000	10,376,900
FORD MOTOR CREDIT CORP	2/15/02	8.200	20,000,000	20,861,800
GEN MOTORS ACCEPT MTN	10/20/03	6.630	10,000,000	9,957,900
GEN MTRS ACCEPT CORP MTN	10/18/02	6.500	12,500,000	12,452,375
GENERAL ELECTRIC CAP CORP	3/1/01	8.380	5,000,000	5,192,500
GENERAL MTRS	7/15/01	9.130	15,200,000	16,017,456
GENERAL MTRS ACCEPT CORP	10/15/99	8.400	250,000	251,930
GENERAL MTRS ACCEPT CORP	10/15/02	9.000	21,000,000	22,536,360

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GENERAL MTRS ACCEPT CORP	1/1/03	8.500	25,000,000	26,530,000
GENERAL REINSURANCE CORP	9/12/09	9.000	15,000,000	17,267,700
GEORGIA-PACIFIC	5/15/22	9.500	23,000,000	24,239,010
GEORGIA-PACIFIC	4/30/25	8.630	15,000,000	15,251,100
GLAXO WELLCOME PLC	1/25/06	6.130	50,000,000	48,520,000
GMAC	2/7/02	6.750	5,000,000	5,039,700
GOLDMAN SACHS	7/15/02	6.600	27,000,000	26,994,870
GOLDMAN SACHS GR	1/15/03	7.880	12,000,000	12,462,840
GOLDMAN SACHS GROUP	5/15/09	6.650	57,000,000	54,963,390
GOLDMAN SACHS GROUP LP 144A	12/1/04	6.630	10,000,000	9,929,400
GREAT NORTHN RY CO	1/1/00	3.130	25,000	24,653
GTE CORP	6/1/03	9.100	5,000,000	5,401,700
GTE CORP	5/1/23	7.830	15,000,000	15,058,500
GTE HAWAII	2/1/06	7.000	10,000,000	9,898,800
GUIDANT CORP	2/15/06	6.150	20,000,000	18,942,000
HANSON OVERSEAS	9/15/05	6.750	5,000,000	4,987,300
HANSON PLC	1/15/03	7.380	21,000,000	21,627,690
HELLER FINANCIAL	3/19/04	6.000	13,000,000	12,584,130
HONAM OIL REFINERY	10/15/05	7.130	7,000,000	6,539,190
HOUSEHOLD FINANCE CORP	7/15/00	9.630	3,000,000	3,105,690
HSBC AMERICAS INC	11/1/06	7.000	30,000,000	29,676,000
ICI WILMINGTON	9/15/04	6.950	30,000,000	30,144,600
INDIANA BELL TEL INC	6/1/03	4.380	650,000	609,817
INDIANTOWN COGENERATION	12/15/10	9.260	15,900,000	16,584,018
INDIANTOWN COGENERATION	12/15/20	9.770	15,000,000	15,853,050
INTL BK FOR RECON & DEV	10/15/02	12.380	5,000,000	5,960,050
JOHN DEERE CAP	8/1/19	8.630	2,000,000	2,139,760
JPM CAP TRUST I	1/15/27	7.540	50,000,000	47,786,000
KANSAS GAS & ELEC	9/29/16	8.290	24,500,000	24,504,410
KERN RIVER FUNDING CORP	9/30/01	6.720	27,500,000	27,686,725
KEYCORP	3/15/06	6.750	25,000,000	24,463,750
KN ENERGY INC	3/1/03	6.450	35,000,000	34,429,500
KROGER COMPANY	12/15/18	6.800	25,000,000	23,261,000
LAND O LAKES CAP TR I 144-A	3/15/28	7.450	40,025,000	34,271,406
LASMO (USA) INC	6/30/06	7.500	29,225,000	28,921,352
LEGRAND	2/15/25	8.500	25,840,000	28,650,875
LEHMAN BROTHERS HLDGS INC	12/1/00	6.500	100,000,000	100,099,000
LG-CALTEX OIL CORP	7/1/06	7.880	24,000,000	23,119,200
LIMAR / SAFEWAY	4/1/09	13.500	10,473,813	10,526,182

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LOCKHEED MARTIN CORP	6/15/04	7.450	47,000,000	48,198,500
LORAL CORP	6/15/04	7.630	10,000,000	10,307,500
LOUISVILLE & NASHVILLE RR CO	4/1/03	2.880	25,000	21,719
LS POWER FUNDING	6/30/10	7.190	4,000,000	3,943,000
MAY DEPT STORES	9/15/28	6.700	20,000,000	18,612,600
MBIA INC	10/1/28	6.630	10,000,000	8,930,700
MCI COMMUNICATIONS CORP	8/20/04	7.500	10,000,000	10,307,700
MCI COMMUNICATIONS CORP	1/20/23	8.250	9,000,000	9,411,210
MCI COMMUNICATIONS CORP	3/23/25	7.750	15,000,000	14,616,150
MCI COMMUNICATIONS CORP	4/15/10	6.500	15,000,000	14,376,000
MELLON FINANCIAL CO.	11/15/03	5.750	8,500,000	8,214,995
METHANEX CORP	8/15/05	7.750	9,000,000	8,263,800
MIDAMERICAN FNDG	3/1/09	6.340	40,000,000	37,125,600
MIDLAND BANK PLC	6/15/06	7.630	49,355,000	51,439,755
MIRAGE RESORTS INC	8/1/17	7.250	29,200,000	25,890,180
MONSANTO COMPANY 144A	12/1/18	6.500	40,000,000	36,086,400
MONTANA PWR CO	4/1/01	7.500	1,000,000	1,005,060
MORGAN STANLEY	10/1/13	7.000	15,500,000	15,275,560
MORGAN STANLEY & CO INC	5/15/06	7.280	10,000,000	9,925,000
MORGAN STANLEY GROUP INC	12/15/03	6.380	8,200,000	8,147,602
MOUNTAIN STS TEL & TELEG CO	6/1/05	5.500	100,000	100,183
NCNB CORP	9/15/09	9.380	15,000,000	17,259,150
NEW ENGLAND TEL & TELEG CO	10/1/06	6.130	200,000	190,660
NEW YORK TEL CO	7/15/31	9.380	14,250,000	15,432,038
NIPSCO CAPITAL MKTS SENIOR NTS	12/1/27	6.780	20,000,000	19,842,400
NORANDA FOREST INC	11/15/05	6.880	23,000,000	21,537,200
NORCEN ENRGY RESOURCES	7/2/02	6.800	25,000,000	24,641,750
NORTHERN TELECOM	6/15/26	7.880	10,000,000	10,044,800
NORTHWEST PIPELINE CORP	12/1/07	6.630	32,000,000	31,031,680
NORTHWOOD PULP & TIMBER LTD	6/30/05	8.950	15,000,000	15,543,750
NRG ENERGY CORP	2/1/06	7.630	20,000,000	19,832,000
OCCIDENTAL PETE	4/1/28	7.200	20,000,000	18,163,800
OCCIDENTAL PETE	4/1/05	6.500	16,000,000	15,442,560
OCCIDENTAL PETROLEUM	2/15/06	7.650	20,000,000	20,211,400
PACIFICORP	7/15/04	6.750	8,000,000	8,065,280
PACIFICORP	6/1/07	6.630	7,000,000	6,881,210
PACIFICORP HOLDINGS	4/1/01	6.750	12,000,000	12,109,200
PACIFICORP HOLDINGS	4/1/06	7.200	10,000,000	10,160,800
PANHANDLE EASTERN	8/15/13	7.200	6,000,000	5,374,080

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PANHANDLE EASTERN PIPELINE	3/15/23	7.950	10,000,000	10,195,000
PANHANDLE EASTERN PIPELINE	8/15/04	7.880	5,000,000	5,288,500
PDV AMERICA INC	8/1/00	7.750	9,250,000	9,065,000
PDV AMERICA INC	8/1/03	7.880	36,000,000	32,760,000
PG&E GAS TRANSMISSION	6/1/05	7.100	15,000,000	15,118,200
PHILLIPS PETROLEUM	1/1/23	8.490	15,000,000	16,210,350
PHILLIPS PETROLEUM	4/15/23	7.920	10,000,000	10,543,900
PLACER DOME INC	5/15/03	7.130	4,500,000	4,338,945
PLACER DOME INC	6/15/15	7.750	15,000,000	13,221,750
POHANG IRON & STEEL	7/15/04	7.130	15,000,000	14,378,100
PRICE COSTCO INC	6/15/05	7.130	10,000,000	9,779,400
PROGRESSIVE CORP	10/1/13	7.000	25,000,000	24,992,750
PROGRESSIVE CORP	1/15/04	6.600	10,000,000	9,952,900
PUBLIC SERVICE CO OF COLO	1/1/24	7.250	5,000,000	4,682,650
PUBLIC SERVICE CO OF COLORADO	4/15/03	6.000	25,000,000	24,559,000
RITE AID CORP	12/15/01	6.700	18,500,000	18,408,795
RITE-AID CORP 144A	12/15/08	6.130	10,000,000	9,081,000
RITE-AID CORP 144A	12/15/28	6.880	10,000,000	8,726,840
ROCKWELL INT'L CORP	9/15/99	8.880	19,000,000	19,131,480
ROHM & HAAS CO 144A	7/15/04	6.950	18,600,000	18,782,280
ROYAL CARIBBEAN CRUISES	7/28/04	8.130	21,000,000	21,853,440
ROYAL CARIBBEAN CRUISES	3/15/18	7.250	20,000,000	18,612,200
SAGA PETROLEUM A.S.	7/15/04	8.400	9,000,000	9,490,140
SAGA PETROLEUM A.S.	7/15/14	9.130	25,900,000	29,470,315
SAKS INCORPORATED	12/1/04	7.250	15,000,000	14,941,800
SAKS INCORPORATED	12/1/10	7.500	29,550,000	29,202,197
SAKS INCORPORATED	2/15/19	7.380	20,000,000	19,112,000
SALOMON INC	3/1/00	6.500	15,000,000	15,093,300
SALOMON INC	7/5/00	6.700	15,000,000	15,099,300
SANTANDER FIN ISSUANCES	4/15/05	7.880	20,000,000	20,830,000
SANTANDER FIN ISSUANCES	7/15/05	6.800	35,300,000	34,980,888
SCOTLAND INT FINANCE	2/15/11	6.500	36,500,000	33,580,365
SECURITY CAPITAL GROUP 144A	6/15/05	6.950	25,000,000	23,345,000
SHOPPING CENTER	5/15/05	7.630	25,000,000	24,937,250
SOCIETE GENERAL INSTL	11/8/05	6.750	25,000,000	24,182,500
SOCIETY NATIONAL BANK	6/1/05	7.250	17,750,000	18,014,653
SOLOMON SMITH BARNEY HLD	5/15/03	6.250	20,000,000	19,748,400
SOUTHERN NATURAL GAS	9/15/08	6.130	15,000,000	13,876,500
SOUTHERN NEW ENGLAND TEL CO	12/1/01	4.380	1,475,000	1,416,148

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SOUTHWEST GAS CO	8/1/06	7.500	8,000,000	8,407,520
SOUTHWESTERN BELL TELE	10/15/26	7.200	5,000,000	4,740,100
SOUTHWESTERN PUBLIC SERV	2/15/25	8.500	10,000,000	10,905,800
SPIEKER PROPERTIES	7/1/09	7.130	10,000,000	9,581,700
SPRINT CAP CORP	5/1/19	6.900	35,000,000	32,409,300
SPRINT CAP CORP	5/1/09	6.380	35,000,000	32,862,550
SPRINT CAPITAL CORP	11/15/08	6.130	10,000,000	9,228,900
SPRINT CAPITAL CORP	11/15/28	6.880	15,000,000	13,599,300
ST GEORGE BANK LTD	6/18/07	7.150	17,400,000	16,942,902
STAR BK NA, OH TR SB 00001	12/15/06	6.630	10,000,000	9,736,400
SURWAY ASSOC (SAFEWAY)	4/1/05	13.900	17,719,856	18,139,817
TEMPLE-INLAND	9/15/22	8.250	10,000,000	10,573,300
TIME WARNER ENTERTAINMENT	10/1/12	8.880	25,120,000	27,983,680
TIME WARNER INC	1/15/13	9.130	44,250,000	50,093,655
TIME WARNER INC	8/15/07	8.180	30,000,000	31,685,400
TRANSCANADA PIPELINE	5/15/12	8.630	5,000,000	5,487,950
TRANSOCEAN OFFSHORE INC	4/15/27	8.000	22,265,000	23,168,514
TRIBUNE COMPANY	10/6/08	5.500	15,000,000	13,591,050
U S BANCORP	10/15/05	6.750	27,000,000	26,740,260
U S BANCORP CAP I SER B	12/15/26	8.270	38,100,000	38,661,975
UNION PACIFIC CO	5/1/05	7.600	4,000,000	4,127,280
UNION PACIFIC CO	5/1/25	8.350	25,000,000	25,665,000
UNION PACIFIC CORP	2/1/06	6.400	25,300,000	24,440,559
UNION PACIFIC CORP MTN	11/9/07	6.790	10,000,000	9,661,200
UNION PACIFIC RESOURCES	5/15/05	6.500	15,000,000	14,311,800
UNION PACIFIC RR	1/16/16	7.620	18,961,807	19,358,298
UNIV OF PUGET SOUND	7/1/02	8.250	175,000	192,957
UNIV PUGET SOUND WA REV	7/14/99	8.250	140,000	140,018
UNIV PUGET SOUND WA REV	7/1/00	8.250	150,000	156,639
UNIV PUGET SOUND WA REV	7/1/01	8.250	165,000	177,101
US BANK NA	7/15/08	6.300	50,000,000	47,514,000
US WEST CAP FUNDING INC	7/15/28	6.880	35,000,000	31,986,500
WASH MUTUAL CAP	6/1/27	8.380	21,000,000	21,220,920
WASHINGTON MUTUAL INC	8/15/05	7.250	20,460,000	20,571,712
WELLS FARGO & CO	5/1/02	8.750	4,500,000	4,770,450
WELLS FARGO & CO	5/15/02	8.380	5,000,000	5,264,850
WELLS FARGO & CO	8/15/06	7.130	15,000,000	15,281,550
WELLS FARGO CAP I	12/15/26	7.960	10,000,000	9,980,900
WESTERN RESOURCES INC	8/15/03	6.250	32,000,000	31,411,840

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WILLAMETTE INDUSTRIES	2/1/18	7.000	25,200,000	23,937,984
WILLIAMS COMPANIES, INC	8/1/06	6.500	48,700,000	47,007,188
WILLIAMS COS	9/15/99	7.500	2,000,000	2,007,260
WILLIAMS HLDGS OF DEL	2/1/06	6.250	15,000,000	14,274,000
WORLD COM INC	4/1/04	7.550	15,000,000	15,525,150
WORLDCOM INC	8/15/05	6.400	35,000,000	34,240,500
WORLDCOM INC	8/15/28	6.950	25,000,000	23,698,750
YORKSHIRE POWER	2/25/03	6.150	16,000,000	15,610,240
YORKSHIRE POWER	2/25/08	6.500	25,000,000	23,731,000
TOTAL CORPORATE OBLIGATIONS - DOMESTIC				<u>\$ 4,708,400,057</u>
CORPORATE OBLIGATIONS - CONVERTIBLE:				
SECURITY CAPITAL CONV SUB DEB	3/29/16	6.500	37,500,000	37,500,000
TOTAL CORPORATE OBLIGATIONS - CONVERTIBLE				<u>\$ 37,500,000</u>
CORPORATE OBLIGATIONS - YANKEE:				
ABBEY NATIONAL PLC	10/15/06	7.350	10,225,000	9,963,138
ABITIBI - CONSOLIDATED	4/1/28	7.500	25,000,000	22,598,000
ABN-AMRO BNK NV (CHICAGO)	5/31/05	7.250	10,000,000	10,207,600
BANK OF SCOTLAND 144A	11/20/07	7.000	10,000,000	9,893,100
CANADIAN NAT'L RR	5/15/03	6.630	7,000,000	6,940,500
CANADIAN NAT'L RR	3/15/04	7.000	35,500,000	35,668,625
CANADIAN NATL RR 96-A A2	1/3/14	7.900	9,905,106	10,221,971
CERRO NEGRO FINANCE LTD	6/1/28	8.030	25,000,000	17,312,500
CIA DE TELECOMM CHILE	1/1/06	8.380	20,000,000	19,982,000
CODELCO INC	5/1/09	7.380	25,000,000	23,125,000
COMPANIA TELECOM CHILE	7/15/06	7.630	25,000,000	24,080,000
CORP ANDINA DE FOMENTO	3/1/17	7.790	23,000,000	23,040,250
CROWN CORK + SEAL FIN PLC	12/15/06	7.000	10,000,000	9,778,200
CROWN CORK + SEAL FIN SA	12/15/03	6.750	11,600,000	11,449,896
EDPERBRASCAN CORP	12/16/03	7.130	25,000,000	24,185,500
EMPRESA NACIONAL ELECTRI	7/15/08	7.750	15,000,000	14,023,500
ENDESA-CHILE OVERSEAS	4/1/06	7.200	10,000,000	9,195,000
ENERGY GROUP OVERSEAS BV	10/15/27	7.550	20,000,000	19,135,400
FLETCHER CHALLENGE CAP CAN	6/20/16	8.250	30,700,000	30,756,181

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FLETCHER CHALLENGE LTD	3/24/05	6.750	16,750,000	16,054,205
FLETCHER CHALLENGE LTD	3/24/08	6.880	7,500,000	7,085,850
GRUMA SA DE CV	10/15/07	7.630	36,265,000	31,891,441
HYDER PLC	12/15/28	7.380	15,000,000	14,104,050
HYDRO QUEBEC	1/15/22	8.400	27,000,000	30,175,470
HYDRO-QUEBEC	2/1/13	8.000	16,000,000	17,250,880
HYDRO-QUEBEC	1/15/02	6.380	5,000,000	4,982,100
MANITOBA PROV CDA	1/15/18	9.130	9,000,000	10,910,340
MANITOBA PROV CDA	12/1/18	9.630	5,000,000	6,346,900
MERITA BANK	4/1/09	6.500	50,000,000	47,372,000
MONTREAL CITY OF	11/1/04	5.000	794,000	730,266
NAT'L WESTMINSTER BANK	10/16/07	7.750	8,190,000	8,135,045
NORSK HYDRO	11/15/25	7.150	15,000,000	13,942,950
NORSK HYDRO A/S	1/15/29	7.150	50,000,000	46,368,500
NORSK HYDRO A/S	1/15/09	6.360	50,000,000	47,026,000
NOVA SCOTIA PROV CDA	5/1/21	9.130	10,000,000	12,186,500
PDVSA FIN LTD	11/15/28	7.500	25,000,000	18,062,500
PDVSA FIN LTD	8/15/16	7.400	20,000,000	15,200,000
PETROLEOS MEXICANOS	9/15/07	8.850	15,000,000	13,425,000
PETROLEOS MEXICANOS 144A	3/30/05	8.380	20,000,000	18,200,000
PETROLEUM NASIONAL BERHAD	8/15/15	7.750	10,000,000	8,535,500
PETROLIUM NASIONAL BERHAD	7/1/03	6.880	15,000,000	14,338,950
PETROLIUM NASIONAL BERHAD	8/15/05	7.130	10,000,000	9,333,300
POTASH CORP SASKATCHEWAN CDA	6/15/07	7.130	38,600,000	38,241,020
QUEBEC PROV CDA	7/15/23	7.500	17,500,000	17,791,550
QUEBEC PROVINCE CDA	1/19/05	8.630	39,000,000	42,465,930
RIO ALCOM LTD CDA	11/1/05	7.050	20,000,000	18,249,800
ROYAL BANK OF SCOTLAND	2/1/11	6.380	10,000,000	9,323,900
ROYAL BANK SCOTLAND PLC	4/1/09	6.400	35,000,000	33,065,550
ROYAL BK CDA NY BRH	10/24/11	6.750	25,000,000	24,528,750
ROYAL CARIBBEAN CRUISES	10/15/27	7.500	10,650,000	9,987,251
SASKATCHEWAN CDA	7/15/13	7.380	19,000,000	19,900,220
SKANDINAVISKA ENSKILDA 144A	3/29/49	7.500	4,000,000	3,796,520
SOCIEDAD QUIMICA 144A	9/15/06	7.700	6,115,000	5,628,858
SVENSKA HANDELSBANKEN	3/7/07	7.130	25,000,000	23,393,500
TRANS-CANADA PL	1/21/09	6.490	20,000,000	19,228,000
VENEZUELA	8/15/18	13.630	25,000,000	22,750,000
YPF SOCIEDAD ANONIMA	2/24/09	9.130	20,000,000	20,498,400
YPF SOCIEDAD ANONIMA	3/15/03	7.250	19,335,000	18,785,306

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YPF SOCIEDAD ANONIMA GLOBAL	2/15/04	8.000	10,800,000	10,637,568
YPF SOCIEDAD ANONIMA SA	8/27/07	7.750	23,750,000	22,404,800
TOTAL CORPORATE OBLIGATIONS - YANKEE				<u>\$ 1,103,891,029</u>
CORPORATE OBLIGATIONS - FOREIGN:				
EMBOTELLADORA ARICA SA 144A	3/15/06	9.880	20,000,000	20,250,000
SKANDINAVISKA ENSKILDA	9/6/06	8.130	14,650,000	14,688,969
TOTAL CORPORATE OBLIGATIONS - FOREIGN				<u>\$ 34,938,969</u>
MUNICIPAL BONDS:				
WA ST HSG COMM 1998 4T	6/1/30	6.750	5,000,000	4,873,800
WA ST HSG COMM 1999 1T	6/1/30	6.450	3,000,000	2,768,340
WA ST HSG FINANCE COMM 1997 4T	6/1/29	7.070	7,270,000	7,241,138
WASH ST HSG FIN COMM	12/1/27	7.820	2,275,000	2,349,051
TOTAL MUNICIPAL BONDS				<u>\$ 17,232,329</u>
VENTURE CAPITAL AND PRIVATE EQUITY:				
ADVENT VIII LP (TA)			86,250	8,902,470
APA EXCELSIOR V, LP			18,412	1,779,852
APAX EUROPE IV-A, LP			107,882	10,010,563
APEX INV FD III LP			43,277	6,289,179
ASTORG II			46,975	4,428,104
AUSTIN VENTURES IV-B			147,460	42,129,777
AUSTIN VENTURES V, LP			99,332	16,774,083
AUSTIN VENTURES VI			69,375	7,306,069
BANC FUND IV TRUST			200,000	21,804,158
BANC FUND V TRUST			75,000	7,182,730
BATTERY VENTURES IV, LP			75,885	13,975,725
BATTERY VENTURES V, LP			15,000	1,421,434
BC EUROPEAN CAPITAL VI			74,417	6,550,880
BLACKROCK FUND INVESTORS III			58,781	20,975,246
BOSTON VENTURES LP, V			162,143	16,559,419
BRENTWOOD ASSOCIATES IV			75	32,859
CAPITAL RES LENDERS II, LP			1,050,137	17,354,665
CAPITAL RES LENDERS III, LP			244,493	26,134,257

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<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OF SHARES</u>	<u>BOOK AND MARKET VALUE</u>
CAPITAL RESOURCE PRTN IV, LP			40,765	3,442,078
CCP VI LP, NO 2.1			128,492	11,320,710
CHL MEDICAL PARTNERS, LP			15,000	1,495,763
CINVEN CAPITAL PARTNERS, LP			339,373	47,456,397
CINVEN SECOND FUND			342,581	32,610,286
CLAYTON DUBILIER & RICE VI LP			20,158	44,490
CLAYTON, DUBILIER & RICE			355,653	30,801,998
CODE HENNESSY & SIMMONS II			87,118	11,193,685
CODE HENNESSY & SIMMONS III,LP			159,600	17,163,651
CONTRARIAN CAP FD II, LP			320,000	30,548,754
CORNERSTONE EQUITY INV IV			146,075	14,215,719
CYPRESS MERCHANT BK PART. LP			357,371	36,227,077
DOUGHTY HANSON & CO FUNDS II			60,235	11,833,191
DOUGHTY HANSON & CO III, LP			245,503	21,431,414
EDGEWATER PRIVATE EQ FD III			30,000	2,876,729
EL DORADO VENTURES IV, LP			45,000	4,677,010
EQUITY-LINKED INVESTORS, L.P.			1	714,308
ESSEX WOODLANDS HEALTH IV, LP			19,353	2,654,578
EVERGREEN I, L.P. (HANCOCK)			113,676	1,264,293
EVERGREEN III, L.P. (HANCOCK)			72,057	1,038,900
EVERGREEN IV, L.P. (BRENTWOOD)			638	54,736
FIRST RESERVE FUND VIII, LP			120,893	10,562,000
FRANCE PRIVATE EQUITY II			6,837	-
FRAZIER HEALTHCARE II LP			70,835	6,711,951
FRAZIER HEALTHCARE III			35,000	2,790,738
GEOCAPITAL EUROFUND, LP			20,000	1,805,199
GEOCAPITAL V, LP			20,000	1,860,858
GILBERT GLOBAL EQ PARTNERS, LP			71,353	4,943,201
GREAT HILL EQUITY PARTNERS LP			16,000	1,497,230
GREEN MOUNTAIN PARTNERS LP			219,503	22,375,846
GREEN MOUNTAIN PTNR'S II, LP			71,541	6,961,415
HARBORVEST PRTNR VI, PARTNERS			37,500	3,750,000
HARBOURVEST INTL PRTNR III-DIR			255,977	24,746,017
HARBOURVEST INTL PTNR II-DIR			41,754	6,182,106
HARBOURVEST INTL PTNR II-PTNR			185,135	19,182,269
HARBOURVEST INTL PTNR III PTNR			80,000	7,767,112
INTERWEST PARTNERS VI			70,592	11,018,750
JOHN HANCOCK PARTNERS II			49,768	1,321,021
JOSEPH LITTLEJOHN & LEVY FD II			354,055	41,957,361

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JOSEPH LITTLEJOHN LEVY FD III			395,673	35,670,133
KPS SPECIAL SITUATIONS FUND,LP			18,255	1,499,167
MADISON DEARBORN CAP PTNS III			127,813	12,465,541
MATERIA VENTURES			1,779	848,731
MENLO EVERGREEN V, L.F.			94,017	3,154,684
MENLO VENTURE PARTNERS III			80,732	1,590,028
MENLO VENTURE PARTNERS IV			100	18,471,079
MENLO VENTURES VI, LP			16,698	2,092,669
MENLO VENTURES VII			135,524	20,619,832
MENLO VENTURES VII, LP			43,368	6,598,346
MORGAN STANLEY VEN PTN III			174,048	21,756,099
NORDIC CAPITAL FUND III			138,501	12,030,914
OAK INVESTMENT PTNRS VIII, LP			84,180	9,370,136
OCM OPPORTUNITIES FUND II LP			750,000	76,241,000
OCM OPPORTUNITIES FUND LP			308,800	45,330,000
OLYMPIC VENTURE PARTNERS IV			34,554	4,054,733
OLYMPUS GROWTH FUND III, LP			13,089	1,058,889
PARAGON PARTNERS II			368,760	1,081,504
PHOENIX PARTNERS II			45,509	4,867,929
PHOENIX PARTNERS III			167,154	27,469,308
RICE PARTNERS II LP			251,365	24,374,780
RSTW PARTNERS III, LP			151,291	14,318,660
SPECTRUM EQ INV II, LP			96,977	17,613,818
SPECTRUM EQ INV II, LP			40,407	7,339,091
SPECTRUM EQUITY INV III, LP			20,000	1,723,330
SPROUT CAPITAL VII LP			180,000	32,609,876
SPROUT CAPITAL VIII-LP			159,326	15,431,515
SWANDER PACE CAPITAL FUND LP			38,586	3,538,004
TECHNOLOGY CROSSOVER II Q LP			40,353	9,577,400
TECHNOLOGY CROSSOVER VENT III			31,000	3,145,326
TSG CAPITAL FUND II LP			277,303	31,614,630
TSG CAPITAL FUND III LP			324,573	30,088,625
US VENTURE PARTNERS V, LP			76,000	9,709,246
US VENTURE PARTNERS VI LP			37,975	3,680,213
VANTAGEPOINT COMM PTRNS, LP			25,000	5,720,708
VARDE SELECT FUND LP			136,000	13,273,523
VESTAR CAPITAL PTNRS III, LP			99,114	12,980,215
WARBURG PINCUS EQ PTNR'S, LP			840,000	88,647,988
WARBURG PINCUS VENTURES			939,499	177,032,794

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WCAS CAPITAL PTNRS III, LP			500,000	59,843,688
WELSH CARSON ANDER. STOWE VII			368,251	53,249,720
WELSH CARSON ANDER. STOWE VIII			412,417	42,856,146
WORLDVIEW TECHNOLOGY PTNS I,LP			51,312	5,990,254
TOTAL VENTURE CAPITAL				\$ 1,658,740,584
LEVERAGED BUY-OUTS:				
ACCURIDE CORP, KKR 96			146,585	14,658,500
AMPHENOL CORP, KKR 96			393,835	55,120,749
APC ASSOCIATES, LP, KKR 87			21,885	5,805,254
BORDEN (RJR NABISCO)			3,472,440	351,583,739
BOYDS COLLECTION, LTD KKR 96			201,359	66,664,954
BRAKE ASSOC LP KKR 93			113,310	15,410,160
BRISTOL WEST INS GR, KKR96			119,840	11,426,000
CHANNEL ONE ASSOC LP KKR			75,042	34,075,759
DAW FOREST PRODUCTS CO.			83,200	840,385
EVENFLO,SPALDING HLDGS KKR96			382,020	34,313,400
FIELD PUBLICATIONS 87			84,250	24,516,750
FLEET/NORSTAR FINANCIAL GROUP			268,001	175,854,559
GILLETTE CO KKR 87 (DURACELL)			149,571	180,390,320
GOLF ASSOCIATES LP KKR87			31,030	6,826,600
GR ASSOCIATES, LP, KKR 93			28,889	6,748,143
JWC ASSOCIATES, KKR 86			150,670	8,266,932
K-III HOLDINGS, INC 87			106,580	53,701,112
K-III PRIME CORPORATION 8			193,078	55,716,024
KLC ASSOCIATES LP, KKR 93			261,860	32,801,410
KSL RECREATION CORP. - KKR 96			143,340	14,334,000
MEDCATH INC KKR96			148,040	14,290,000
NEXSTAR FINANCIAL CORP, KKR96			53,570	5,357,000
NXS ASSOC LP, KKR 93			125,840	17,907,959
OWENS-ILLINOIS, INC. 86			204,630	111,400,490
PRIMEDIA INC COMMON STK KKR 96			282,050	37,489,146
PUBLISHING ASSOC. LP, KKR 87			115,740	21,918,263
RANDALLS FOOD MARKETS, KKR1996			322,300	32,230,000
RED LION INNS			257,541	76,109,026
REGAL CINEMAS INC, KKR 96			724,750	69,860,000
RESORT ASSOCIATES L.P.			256,850	56,507,000
RHINE REINSURANCE CO LTD KKR96			182,275	18,227,500

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RRN ASSOCIATES LP KKR 93			221,833	79,251,087
STRATA ASSOCIATES LP KKR 93			655,010	27,201,397
TI GROUP PLC, KKR 96			150,870	15,518,794
UNION TEXAS PETROLEUM, INC. 84			10	227,040
WALTER INDUSTRIES KKR 93			104,896	10,154,156
WCP ASSOCIATES, LP, KKR 93			94,213	20,029,019
WILLIS CORROON GRP PLC, KKR 96			385,090	42,196,000
TOTAL LEVERAGED BUY-OUTS				\$ 1,804,928,627
REAL ESTATE EQUITY:				
AMERICA WEST I			77,430	-
AMERICA WEST II			98,510	3,624,207
CHEROKEE INV PARTNERS II, LP			305,524	29,501,076
EUROPEAN INV PROP LIMITED			450,000	44,283,486
FORESTREE WASHINGTON LP			866,520	87,634,754
HEARTHSTONE-OLY HOMEBLDG. LLC			236,967	24,692,589
HOMETOWN AMERICA, LLC			165,797	16,772,000
ING REALTY PARTNERS LP			473,432	45,672,890
JER REAL ESTATE ADVISORS, LP			693,308	77,923,580
LONE STAR FUND II			359,458	34,992,432
LONE STAR OPPORTUNITY FD LP			400,935	39,132,585
LOWE NORTHWEST INV PROP LLC			1,322,894	161,322,299
MEZZANINE CAPITAL PROP INV INC			791,774	86,338,556
MORGAN STAN SPEC SITUATIONS LP			735,280	77,348,448
MSREF III INT'L-TE			253,503	25,857,280
OLYMPIA PROPERTIES LLC			3,975,125	417,205,259
PACTRUST REALTY ASSOC L.P.			773,154	222,363,861
PACTRUST/WISB-LLC			5,247,806	216,463,932
PRINCIPAL ENTERPRISE CAPITAL I			4,244	-
RREEF REAL ESTATE EQUITY FD			5,000	-
SENTINEL REAL ESTATE FUND			200,000	24,034,966
UNION SQUARE LP			2,489,732	336,447,944
TOTAL REAL ESTATE EQUITY				\$ 1,971,612,144
CORPORATE STOCK - DOMESTIC:				
NOKIA CORP ADR			59,100	5,411,344
PHARMACIA-UPJOHN			41,000	2,329,313

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SCHLUMBERGER LTD			27,000	1,719,563
SECURITY CAPITAL GROUP CLASS A			42,372	27,723,693
SECURITY CAPITAL GROUP CLASS B			150,000	1,963,308
TOTAL CORPORATE STOCK - DOMESTIC				<u>\$ 39,147,220</u>
CORPORATE STOCK - FOREIGN:				
ABB AG			39,616	3,733,296
ABBEY NATIONAL			176,000	3,304,177
ABITIBI CONSOLIDATED INC			143,200	1,635,136
ABN AMRO HLDGS NV			381,645	8,265,178
ADVANTEST			57,200	6,285,394
AEGON NV			21,216	1,539,221
AEROSPATIALE MATRA			78,000	1,797,817
AGFA GEVAERT NV			47,200	929,713
AHOLD (KON) NV			379,035	13,055,669
AIR LIQUIDE(L.)			19,286	3,033,090
AKZO NOBEL NV			227,952	9,591,288
ALCATEL ALSTHOM			106,000	14,921,479
ALLEANZA ASSICURAZ			657,300	7,558,086
ALLIED IRISH BANKS			144,711	1,902,765
ALLIED ZURICH			732,575	9,209,195
ALTANA AG			11,500	647,536
AMCOR LIMITED			3,112,100	17,299,596
ANGLIAN WATER			226,900	2,509,002
ARGENTARIA C/P HIP			80,000	1,822,464
ARM HLDGS			112,000	1,287,017
ASAHI CHEMICAL IND			267,000	1,480,194
ASM LITHOGRAPHY HLDG N V			36,700	2,179,063
ASR VERZEKERINGSGR			29,285	1,931,342
ASSOCIATED BRITISH FOODS PLC			644,201	4,259,830
AT + T CDA INC			82,500	5,285,156
ATHLON GROEP NV			71,000	1,720,678
ATI TECHNOLOGIES INC			54,000	870,174
AUTOGRILL SPA			358,000	3,688,263
AUTOSTRADA SPA			290,000	2,078,529
AXA UAP			122,457	14,939,694
BAER HLDGS AG ORD			3,515	10,016,435
BANGKOK BANK			358,000	1,339,810

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BANK N S HALIFAX			158,100	3,418,268
BANK OF IRELAND			93,665	1,574,484
BANK OF SCOTLAND			520,000	6,885,278
BANK OF TOKYO MITS			134,000	1,907,546
BANFU CO			259,000	516,260
BANQUE NATIONAL DE			135,400	11,282,449
BARCLAYS PLC			307,000	8,933,239
BARRATT DEVEL			307,000	1,722,770
BASS			1,270,200	18,430,401
BAYER AG DEM5			421,000	17,540,292
BAYER MOTOREN WERK			4,900	3,370,507
BAYER VEREINSBK			360,000	23,389,256
BCA INTESA SPA			336,000	1,614,725
BCA POP DI BRESCIA			159,900	6,851,613
BCE INC			357,600	17,335,789
BCO COMM PORTUGUES			25,000	647,897
BCO SANT CENT HISP			1,055,000	10,988,722
BCO SANT CENT HIST			1,330,000	27,761,025
BENCKISER			28,000	1,494,314
BENESSE CORP			24,000	2,607,485
BG ORD 1 2/15			2,879,000	17,585,400
BLUE CIRCLE ORD			2,552,000	16,975,868
BOC GROUP			634,028	12,392,787
BOMBARDIER INC			135,800	2,064,460
BOOTS CO.			2,258,039	26,819,679
BOUYGUES			16,100	4,255,473
BOUYGUES			16,100	42,837
BRAMBLES INDS LTD			56,000	1,475,291
BRIT AMER TOBACCO			157,000	1,476,213
BRITISH AIRWAYS			2,512,700	17,338,267
BRITISH PETROLEUM			847,000	15,180,384
BRITISH TELECOM			1,721,500	28,845,573
BROKEN HILL PROPTY			1,088,598	12,609,914
BURMAH CASTROL			177,500	3,368,711
CABLE + WIRELESS COMMUNICATION			257,500	2,475,973
CABLE + WIRELESS OPTUS			491,000	1,118,012
CABLE AND WIRELESS			2,196,200	27,989,220
CALL NET ENTERPRISES INC			405,000	2,544,850
CANAL PLUS			45,000	12,627,414

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CANON INC			1,055,000	30,333,084
CAP GEMINI			95,100	14,946,477
CAP GEMINI NV			28,000	1,911,566
CARSO GLOBAL TELEC			327,900	2,072,001
CARTER HOLT HARVEY			1,500,000	1,796,429
CASTORAMA DUBOIS			11,000	2,609,119
CATHAY PACIFIC AIR			2,375,000	3,642,726
CELSIUS AB			77,000	969,095
CHINA TELECOM			3,910,000	10,860,254
CIE DE ST GOBAIN			85,000	13,543,184
CIFRA SA DE CV			1,460,000	2,834,173
CITY DEVELOPMENTS			220,000	1,408,543
CLASS EDITORE			110,000	879,160
CLEARNET COMMUNICATIONS INC			190,000	2,648,125
CLF DEXIA(EX CREDI			51,780	6,931,227
CLP HOLDINGS			820,500	3,986,905
CMNWLTH BK OF AUST			54,000	859,638
COCA COLA FEMSA S A CV			77,400	1,499,625
COLES MYER LIMITED			640,000	3,723,706
COLONIAL LTD			1,294,560	4,584,400
COLT TELECOM GROUP			428,000	8,979,677
COMPANHIA ENERGETICA DE MINAS			141,700	2,949,131
CONTACT ENERGY			625,000	1,013,472
CONTINENTAL AG			284,000	6,736,271
COSCO PACIFIC LTD			5,000,000	4,156,671
CREDIT SAISON CO			354,900	7,418,419
CRH			848,700	15,054,142
CSL LIMITED			187,429	1,618,034
CSR LIMITED			5,838,300	16,694,626
DAIMLERCHRYSLER AG			125,800	10,897,661
DDI CORP ORD			1,270	7,901,027
DEUTSCHE BANK AG			119,000	7,258,971
DEUTSCHE TELEKOM			16,600	696,748
DEVELOPMENT BK OF			354,700	4,333,568
DIAGEO			830,000	8,667,680
DIXONS GROUP			47,910	894,918
DRESDNER BANK AG			53,000	2,071,517
EASYNET GROUP			100,000	863,024
EIDOS			43,000	1,413,232

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EISAI CO			819,000	16,138,276
ELECTRABEL NPV			43,400	14,009,009
ELECTRICITY GENRTG			402,000	768,593
ELSEVIER NV			1,540,610	17,873,870
EMI GROUP			819,200	6,572,742
ENERGIS PLC			142,000	3,386,618
ENI (ENTE NAZION-			2,064,200	12,325,476
EQUANT N V			94,700	8,949,150
ERICSSON(LM) TEL			800,100	25,645,000
ERSTE BANK DER OST			30,000	1,710,571
FANCL CORP			4,000	727,055
FERNZ CORP			359,900	1,041,322
FIRST PACIFIC CO			256,000	217,771
FLETCHER CHALLENGE			1,500,000	1,120,781
FLETCHER CHALLENGE - BLDG			769,088	1,120,777
FLETCHER CHALLENGE LTD			456,300	1,238,029
FLEXTRONICS INTERNATIONAL			20,000	1,110,000
FOM CONST Y CONTRA			43,000	2,461,131
FOMENTO ECONOMICO MEXICANO			65,600	2,615,800
FORTIS B			36,200	1,136,761
FOSTERS BREWING GR			6,394,400	18,022,374
FRANCE TELECOM			43,800	3,308,682
FRASER & NEAVE			207,200	918,878
FRESENIUS MEDICAL			25,500	1,522,622
FUJITSU			1,936,000	38,948,360
GEBERIT			500	114,017
GENERAL ELECTRIC			125,000	1,274,833
GKN			1,066,000	18,198,037
GLAXO WELLCOME			1,262,500	35,085,089
GLOBAL TELESYSTEMS GROUP INC			225,200	18,241,200
GPO FIN INBURSA SA			292,000	927,210
GRANADA GROUP			447,400	8,300,635
GREAT UNIVERSAL			1,268,000	14,051,201
GREENALLS GROUP			363,800	2,041,510
GROUP DANONE ORD			55,500	14,308,903
GRUPO TELEVISION SA DE CV			104,100	4,664,981
GUCCI GROUP NV			83,000	5,810,000
HANSON			1,042,975	9,264,174
HAVAS ADVERTISING			14,600	3,145,319

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HEINEKEN NV			128,102	6,559,164
HELSINGIN PUHELIN			23,000	1,091,086
HENDERSON LAND DEV			370,000	2,126,927
HITACHI ORD			1,597,000	14,975,648
HOECHST AG			299,100	13,541,111
HOLDERBK FN GLARUS			8,200	9,679,079
HONDA MOTOR CO.			181,000	7,671,509
HONG KONG ELECTRIC			3,285,500	10,586,623
HONG KONG TELECOMM			1,374,234	3,569,042
HOYA CO			25,000	1,410,735
HSBC HOLDINGS			254,800	9,293,982
HUTCHISON WHAMPOA			206,700	1,871,556
I+I AG			9,918	1,168,056
IBERDROLA SA			962,000	14,653,080
ICON MEDIALAB			18,000	652,101
IMPERIAL TOBACCO			295,000	3,217,859
ING GROEP NV			515,300	27,899,267
INVESTOR AB			286,200	3,198,049
JARDINE MATHESON			375,200	1,876,000
JURONG SHIPYARD			358,000	1,755,863
K.S.B. NON VTG PFD			5,000	698,687
KAO CORP.			369,000	10,365,497
KEPPEL TATLEE BANK			1,277,000	2,835,331
KOKUSAI SECURITIES			295,000	3,655,932
KOMATSU CO			230,000	1,468,900
KON KPN NV			133,000	6,240,744
KOREA ELEC POWER			226,200	9,400,056
KOREA TELECOM			49,400	3,277,788
LAFARGE			73,100	6,950,590
LAURUS NV			100,400	2,329,644
LEND LEASE CORP.			83,855	1,151,349
LIBERTEL NV			98,300	1,926,107
LIBERTYONE			3,560,000	2,026,539
LLOYDS TSB GROUP			485,000	6,574,747
LYONNAIS DES EAUX			16,000	2,885,912
MANNESMANN AG			284,300	42,424,697
MARKS & SPENCER			1,123,000	6,496,579
MARSCHOLLEK LAUTEN			900	428,803
MARSEILLE KLINIKEN			44,000	608,038

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MATSUSHITA COMMUN			76,000	5,431,432
MATSUSHITA ELEC IND			1,906,000	37,006,296
MEDIASET			1,024,700	9,109,140
MIH LTD TORTOLA			50,000	1,325,000
MITSUI FUDOSAN CO			153,000	1,238,803
MONTE PASCHI SIENA			534,200	2,368,894
MORGAN CRUCIBLE CO			372,000	1,586,168
MUNDIAL CONFIANCA			17,000	670,760
MURATA MANUFACTNG			153,773	10,112,953
NATL AUSTRALIAN BK			1,753,777	29,021,571
NATL WESTMINSTER			336,967	7,144,117
NESTLE CHAM AND			4,045	7,288,124
NEW WORLD DEVEL			510,766	1,530,597
NEWS CORP LTD			332,100	11,727,281
NEWS CORP.			494,826	4,221,939
NICHIDO FIRE + MAR			310,000	1,595,639
NIKKO SECURITIES			2,080,000	13,421,444
NIPPON STEEL CORP.			1,854,000	4,304,284
NIPPON TEL&TEL CO			956	11,136,837
NIPPON TV NETWORK			5,420	2,239,000
NOKIA AB OY			377,100	33,055,887
NORTEL NETWORKS CORP			80,300	6,971,044
NORWICH UNION			859,000	5,825,764
NOVARTIS AG			8,499	12,410,172
NTL INC			46,000	3,964,625
NTT MOBIE COMMUNI			900	12,045,987
NTT MOBILE COMMUNI			195	2,642,186
OCE NV			70,001	1,783,095
OLYMPUS OPTICAL CO			82,000	1,212,018
ORANGE PLC			665,300	9,753,025
ORICA LTD			1,261,000	6,886,970
OTE (HELLENIC TLCM)			107,000	2,293,512
OVERSEAS CHINESE			150,000	1,251,125
OVERSEAS UNION BK			350,400	1,687,715
P & O STEAM			201,700	3,028,376
P4 RADIO HELE NORG			99,000	396,139
PEARSON			70,000	1,422,296
PHARMACIA + UPJOHN			108,800	6,014,765
PHILIPPINE LONG DIST TEL CO			125,000	3,773,438

WASHINGTON STATE INVESTMENT BOARD

Retirement Funds

Schedule of Investments - Unaudited

June 30, 1999

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OF SHARES</u>	<u>BOOK AND MARKET VALUE</u>
POHANG IRON & STEEL CO			530	62,732
PORTUGAL TELECOM			133,900	5,447,546
POWERGEN			1,608,000	17,337,282
PRIMACOM			15,000	680,640
PROMISE CO ORD			139,700	8,252,534
PRUDENTIAL CORP.			550,000	8,097,453
PSION ORD 5P			263,000	3,399,449
PUBLICIS			7,800	1,649,004
QBE INS GROUP			1,333,517	5,075,431
RACAL ELECTRONICS			950,000	5,787,780
RECKITT & COLMAN			65,000	677,770
REUTERS GROUP			453,467	5,965,006
RICHEMONT(CIE FIN)			5,550	10,674,519
RIO TINTO ZIMC			732,500	12,279,594
ROCHE HOLDINGS AG			1,876	19,283,850
ROGERS COMMUNICATIONS INC			35,500	567,262
ROHM COMPANY			28,597	4,477,283
ROYAL DUTCH PETE CO			20,200	1,217,050
ROYAL DUTCH PETROL			437,500	25,627,117
RWE AG			324,000	14,999,196
RYANAIR HOLDGS PLC			13,000	689,000
RYOHIN KEIKAKU CO			35,300	8,880,693
SAATCHI + SAATCHI			632,000	2,126,933
SAINSBURY(J)			195,000	1,229,514
SAMSUNG ELECTRONIC			14,500	1,590,979
SANDVIK AB			40,461	882,821
SANDVIK AB			34,700	767,325
SANLAM			1,164,505	1,379,809
SANOFI SYNTHELABO			388,290	16,477,807
SASOL			494,000	3,524,290
SCHRODERS			145,000	2,962,183
SCOT + SOUTHERN EN			630,000	6,445,018
SCOTTISH PWR ORD			541,800	4,680,136
SEAT PAGINE GIALLE			3,510,000	4,796,190
SEAT PAGINE GILLE			1,800,000	1,531,439
SECOM CO LTD ORD			56,000	5,829,663
SECURICOR			1,331,300	11,678,309
SEKISUI HOUSE ORD			316,000	3,409,692
SELECT APPOINTMENT			169,000	2,012,612

WASHINGTON STATE INVESTMENT BOARD

Retirement Funds

Schedule of Investments - Unaudited

June 30, 1999

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OF SHARES</u>	<u>BOOK AND MARKET VALUE</u>
SES			5,000	725,758
SHAW COMMUNICATIONS			46,000	1,811,968
SHELL TRNSPT&TRDG			3,266,027	24,492,744
SHIMACHU CO			50,400	1,115,964
SHIN-ETSU CHEMICAL			414,000	13,852,885
SHINHAN BANK ORD			251,200	2,821,342
SHISEIDO CO.			452,000	6,774,240
SHOHKOH FUND + CO			6,000	4,302,846
SIEBE			404,300	1,913,488
SIEMENS AG			182,000	14,039,329
SIGMA ALIMENTOS			120,000	292,135
SINGAPORE AIRLINES			429,900	4,090,755
SINGAPORE PRESS HD			332,816	5,669,219
SINGAPORE TECH ENG			1,000,000	1,133,648
SINGAPORE TELECOMM			2,856,000	4,898,489
SKAND ENSKILDA BKN			205,000	2,387,157
SMITH & NEPHEW			1,220,000	3,711,556
SMITHKLINE BEECHAM			325,791	4,234,173
SMITHS INDUSTRIES			319,600	4,221,722
SOC NATL ELF			267,500	39,255,638
SOC. GENERALE			37,400	6,591,542
SOFTBANK CORPORATION			124,800	25,272,183
SONERA YHITYMA OYJ			151,900	3,320,986
SONY CORP.			150,900	16,269,890
SOPRA			19,000	979,709
ST GEORGE BANK LTD			252,700	1,754,135
ST MICRO ELECTRONICS N V			248,600	17,231,088
ST MICROELECTRONICS			81,300	5,416,222
STANDARD CHARTERED			104,000	1,698,369
STORA ENSO OYJ			128,000	1,372,830
SUN HUNG KAI PROFS			164,000	1,495,499
SVENSKA CELLULOSA			58,000	1,500,868
SVENSKA HANDELSBANKEN SERIES A			566,900	6,801,404
SWISSCOM AG			29,000	10,912,845
TAB CORP HLDGS LTD			504,430	3,399,032
TAKEFUJI CORP			62,100	6,418,497
TALISMAN ENERGY INC			63,900	1,697,344
TDK CORP			21,500	1,966,396
TELE CENTRO SUL PARTICIPACOES			65,100	3,613,050

WASHINGTON STATE INVESTMENT BOARD

Retirement Funds

Schedule of Investments - Unaudited

June 30, 1999

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OF SHARES</u>	<u>BOOK AND MARKET VALUE</u>
TELECOM CORP OF NZ			5,351,000	22,968,379
TELECOM ITALIA SPA			60,112	624,878
TELECOMASIA			165,900	167,592
TELECOMUNICACOES BRASILEIRAS			30,000	2,700,000
TELEFONICA SA			632,456	30,465,867
TELEFONOS DE MEXICO S A			171,300	13,843,181
TELESP CELULAR PARTICIPACOES			196,600	5,259,050
TELESP PARTICIPACPOES S A			240,700	5,506,013
TELESYSTEM INTL WIRELESS INC			30,400	549,442
TELEWEST COMMS			3,108,000	13,938,055
TELSTRA CORP			978,879	5,609,226
TESCO			3,068,800	7,896,973
TF1 TV FRANCAISE			20,000	4,661,351
TLC THE LASER CTR INC			46,900	2,251,200
TNT POST GROEF NV			52,609	1,255,985
TOKYO ELECTRIC POWER			278,100	5,870,522
TOKYO ELECTRON			25,000	1,695,774
TOMKINS			1,143,427	4,956,556
TOMRA SYSTEMS AS			125,000	4,700,065
TORONTO DOMINION BK ONT			317,600	14,323,725
TOSHIBA CORP			1,345,400	9,592,837
TOTAL SA SER B ORD			113,100	14,591,276
TRANS COSMOS INC			42,000	3,053,633
UBS AG			64,500	19,251,378
UNILEVER			586,785	5,221,338
UNILOG			5,000	2,541,571
UNION ASSUR FEDERA			27,170	3,222,262
UNITED INTL HLDGS INC			65,000	4,395,625
UNITED OVERSEAS			456,100	3,188,072
UNITED UTILITIES			221,239	2,688,778
UTD NEWSPAPERS			172,000	1,653,854
UTD PAN EUROPE			29,600	1,605,650
VALEO			55,652	4,591,389
VEBA AG ORD DEM5			24,600	1,446,050
VEDIOR			86,000	1,463,375
VENDEX NV			43,200	1,153,870
VITASOY INTL			358,000	125,738
VIVENDI			210,800	17,076,157
VODAFONE GROUP			778,000	15,329,518

WASHINGTON STATE INVESTMENT BOARD

Retirement Funds

Schedule of Investments - Unaudited

June 30, 1999

DESCRIPTION	MATURITY DATE	COUPON RATE	PAR VALUE OF SHARES	BOOK AND MARKET VALUE
VOLKSWAGEN AG			94,800	6,071,183
VOLKSWAGEN AG			16,100	595,235
WEST JAPAN RAILWAY			4,512	17,297,046
WOLTERS KLUWER			17,600	700,605
WOODSIDE PETROLEUM			420,000	2,844,012
WPP GROUP			923,300	7,808,209
YAMANOUCHI			246,000	9,410,246
ZURICH ALLIED AG			6,086	3,460,735
AEON CREDIT SERV			46,000	4,370,595
AIFUL CORP			56,000	6,856,794
AIRTOURS			686,000	5,471,590
ALSTOM			224,000	7,045,652
CARREFOUR			54,000	7,935,640
FUNAI ELECTRIC CO			23,000	4,560,621
GILAT SATELLITE NETWORKS LTD			125,000	6,562,500
HOUSING + COML BK KOREA			123,200	3,884,650
KOOKMIN BK			315,000	6,410,250
LOBLAW COS LTD			160,000	4,037,707
MYCAL CARD INC			53,000	2,408,371
NIPPON SYSTEM DEV			68,000	4,045,072
NORDBANKEN HOLDING			850,000	4,968,980
PHILIPS ELEC(KON)			75,000	7,398,090
POHANG IRON + STEEL LTD			264,000	8,877,000
PORSCHE AG			2,800	6,583,642
PREUSSAG AG			64,000	3,438,674
SMURFIT(JEFFERSON)			2,500,000	5,832,310
TAIWAN SEMICNDCTR MFG CO LTD			200,000	6,800,000
UFM KYMMENE OY			175,000	5,017,140
WESTON GEORGE LTD			118,100	5,186,656
YAHOO JAPAN CORP			30	11,228,049
TOTAL CORPORATE STOCK - FOREIGN				<u>\$ 2,533,444,321</u>
COMMINGLED INDEX FUNDS - DOMESTIC:				
BGI US EQUITY MKT			296,317,244	18,152,844,707
TOTAL COMMINGLED INDEX FUNDS - DOMESTIC				<u>\$ 18,152,844,707</u>

WASHINGTON STATE INVESTMENT BOARD

Retirement Funds

Schedule of Investments - Unaudited

June 30, 1999

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OF SHARES</u>	<u>BOOK AND MARKET VALUE</u>
COMMINGLED INDEX FUNDS - FOREIGN:				
ARGENTINA EMERGING MKTS INDEX			1,012,940	9,757,654
BRAZIL EMERGING			873,337	14,671,185
CANADA MSCI INDEX FUND			3,435,619	77,308,298
CHILE EMERGING MKTS INDEX			817,212	6,465,781
CHINA EMERGING			2,006,777	11,707,535
COLUMBIA EMERGING MKTS INDEX			212,209	1,114,310
CZECH REPUBLIC			183,632	1,512,757
EGYPT EMERGING MKTS INDEX			210,811	1,375,122
FOREIGN COLONIAL EM MKT GP TR			10,736,626	99,659,229
GENESIS EMERGING			1,185,259	189,596,815
GMO EMERGING MKTS TRUST			11,139,360	107,494,828
GREECE EMERGING			323,685	10,060,439
HONG KONG COMMON			1,296,607	79,100,779
HUNGARY EMERGING			103,051	2,095,444
INDIA EMERGING MKTS INDEX			1,593,099	9,044,025
INDONESIA EMERGING			1,289,642	9,160,326
ISRAEL EMERGING MARKETS			592,735	6,515,934
JORDAN EMERGING			124,750	1,057,630
KOREA EMERGING MKTS			2,796,782	21,082,145
MALAYSIA EMG MKTS CTF			2,183,517	10,814,960
MALAYSIA MSCI INDEX FUND			6,007,840	41,964,761
MEXICO EMERGING MKTS INDEX			1,565,347	22,390,720
MOROCCO EMERGING MARKETS			210,499	2,551,245
MSCI - AUSTRALIA			3,329,498	87,186,227
MSCI - AUSTRIA			418,944	9,656,657
MSCI - BELGIUM INDEX FUND			900,862	38,933,456
MSCI - DENMARK			510,788	21,131,828
MSCI - FINLAND			852,082	58,148,606
MSCI - FRANCE			6,030,224	291,458,833
MSCI - GERMANY			6,320,101	296,444,352
MSCI - IRELAND			379,056	10,930,467
MSCI - ITALY			4,984,136	131,740,688
MSCI - JAPAN			88,345,019	739,977,879
MSCI - NETHERLANDS			2,773,356	179,547,038
MSCI - NORWAY			487,517	10,941,834
MSCI - SINGAPORE			887,834	26,666,971
MSCI - SPAIN			2,715,494	88,345,883
MSCI - SWEDEN			1,268,380	73,204,553

WASHINGTON STATE INVESTMENT BOARD
Retirement Funds
Schedule of Investments - Unaudited
June 30, 1999

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OF SHARES</u>	<u>BOOK AND MARKET VALUE</u>
MSCI - SWITZERLAND			3,907,187	206,553,430
MSCI - UNITED KINGDOM			14,467,092	666,600,214
NEW ZEALAND COMMON			381,700	5,589,996
PAKISTAN EMERGING MKTS INDEX			371,324	897,119
PERU EMERGING MKTS INDEX			200,547	1,846,234
PHILIPPINES EMERGING MKTS INDX			830,579	4,180,302
POLAND EMERGING MKTS INDEX			200,844	2,575,223
PORTUGAL MSCI INDEX FUND			1,620,410	18,043,266
PUTNAM INTL SMALL CAP TRANS FD			406,700	40,670,000
RUSSIA EMERGING MARKETS INDEX			160,726	809,900
SCHRODER EMERGING			50,871	114,078,128
SLOVAK REPUBLIC EMERGING MKT			216,942	750,401
SOUTH AFRICA IFC			2,258,376	16,402,587
SRILANKA EMERGING			337,634	1,124,658
TAIWAN EMERGING MKTS INDEX			997,868	19,100,192
THAILAND EMERGING MKTS INDEX			3,633,062	8,959,130
TURKEY EMERGING			1,229,336	15,040,922
VENEZUELA EMERGING MKTS INDEX			196,472	1,570,992
ZIMBABWE EMERGING MKTS INDEX			216,238	1,060,000
 TOTAL COMMINGLED INDEX FUNDS - FOREIGN				 <u>\$ 3,926,669,890</u>
 TOTAL MARKET VALUE OF RETIREMENT FUND INVESTMENTS				 <u>\$ 41,710,885,861</u>

INSURANCE FUNDS

- Notes to Financial Statements
- Statement of Investments
- Statement of Changes in Investment Balances
- Schedule of Investments

Washington State Investment Board Insurance Funds

Notes to Financial Statements
June 30, 1999

Note 1: Significant Accounting Policies

Insurance (Labor & Industries) funds are enterprise funds for financial reporting purposes. Enterprise funds use the full accrual basis of accounting where revenues are recorded in the period earned and expenditures in the period incurred.

Investments are reported at fair market value, with the exception of short-term investments, which are reported at cost.

Interest and dividend income is accrued when earned. Capital gains and losses are recognized on a trade date basis. Purchases and sales of investments are also recorded on a trade date basis.

Unrealized gains and losses are included as investment earnings on the Statement of Changes in Investment Balance.

The WSIB reports collateral received under securities lending agreements where the state has the ability to spend, pledge or sell the collateral without borrower default. Liabilities resulting from these transactions are also reported. Additionally, costs associated with securities lending transactions, including broker rebates paid, are reported as investment management expenses in the accompanying statements. The Schedule of Investments and Statement of Investments do not include detailed holdings of securities lending collateral by investment classification.

WASHINGTON STATE INVESTMENT BOARD
INSURANCE FUNDS
Statement of Investments (Unaudited)
June 30, 1999

	ACCIDENT FUND	MEDICAL AID FUND	ACCIDENT RESERVE FUND	SUPPLEMENTAL PENSION FUND	TOTAL	PERCENT OF TOTAL
FIXED INCOME INVESTMENTS:						
Short-Term (Cash)	\$ 6,890,112	\$ 9,009,604	\$ 21,543,662	\$ 13,235,143	\$ 50,678,520	0.6%
US Government Securities	534,108,632	248,713,282	243,140,024	11,538,010	1,037,499,947	12.5%
Mortgages and Mortgage Backed Securities	529,372,417	602,731,801	140,642,176	19,001,916	1,291,748,310	15.6%
Asset Backed Securities	31,791,688	83,625,846	14,375,104	11,267,134	141,059,772	1.7%
Corporate Obligations	1,888,041,723	1,429,839,791	875,000,810	56,891,976	4,249,774,300	51.2%
Total Fixed Income Investments	\$ 2,990,204,571	\$ 2,373,920,323	\$ 1,294,701,776	\$ 111,934,179	\$ 6,770,760,849	81.6%
EQUITY INVESTMENTS:						
Commingled Index Funds	\$ 588,646,342	\$ 937,456,876	\$ -	\$ -	\$ 1,526,103,218	18.4%
Total Equity Investments	\$ 588,646,342	\$ 937,456,876	\$ -	\$ -	\$ 1,526,103,218	18.4%
Total Equity and Fixed Income Investments	\$ 3,578,850,913	\$ 3,311,377,199	\$ 1,294,701,776	\$ 111,934,179	\$ 8,296,864,067	100.0%
ACCRUALS:						
Accrued Investment Income Receivable	\$ 49,527,993	\$ 30,900,801	\$ 23,783,352	\$ 1,334,757		
Accrued Management Fees Payable	(3,155,243)	(1,211,437)	(923,713)	(32,250)		
Payable for Investments Purchased	-	-	-	(2,994,390)		
Receivable for Investments Sold	-	-	14,607	-		
Collateral Held Under Securities Lending Agreements	322,303,772	158,087,795	94,440,817	10,186,197		
Obligations Under Securities Lending Agreements	(322,303,772)	(158,087,795)	(94,440,817)	(10,186,197)		
Total Accruals	\$ 46,372,750	\$ 29,689,364	\$ 22,874,245	\$ (1,691,883)		
Total Market Value of Investments, June 30, 1999	\$ 3,625,223,663	\$ 3,341,066,563	\$ 1,317,576,021	\$ 110,242,296		

See Notes to Financial Statements.

WASHINGTON STATE INVESTMENT BOARD
INSURANCE FUNDS
Statement of Changes in Investment Balances (Unaudited)
Fiscal Year Ended June 30, 1999

	ACCIDENT FUND	MEDICAL AID FUND	ACCIDENT RESERVE FUND	SUPPLEMENTAL PENSION FUND	TOTAL
Market Value of Investments, June 30, 1998	\$ 3,715,793,495	\$ 3,310,597,393	\$ 1,369,164,900	\$ 120,091,239	\$ 8,515,647,027
Net Amount Contributed (Withdrawn)	\$ (210,350,031)	\$ (223,967,561)	\$ (27,005,723)	\$ (16,065,923)	\$ (477,389,237)
INVESTMENT EARNINGS:					
Interest, Dividends and Other Investment Income	\$ 239,368,093	\$ 230,014,672	\$ 98,791,734	\$ 8,124,962	\$ 576,299,462
Capital Gains	199,628,919	435,656,965	12,783,210	514,480	648,583,574
Capital Losses	(1,549,032)	(1,914,263)	(3,368,859)	(62,244)	(6,894,399)
Market Gains & Losses (Unrealized)	(323,447,367)	(400,558,682)	(106,151,931)	(1,816,768)	(831,974,749)
Investment Expenses	(16,816,494)	(8,483,228)	(3,520,951)	(531,162)	(29,351,835)
WSIB Operating Costs	(380,191)	(338,733)	(140,089)	(12,287)	(871,300)
<i>Net Investment Earnings</i>	<u>\$ 96,803,928</u>	<u>\$ 254,376,731</u>	<u>\$ (1,606,886)</u>	<u>\$ 6,216,980</u>	<u>\$ 355,790,753</u>
OTHER CHANGES IN FUND BALANCE:					
Residual Equity Transfers	\$ 22,976,271		\$ (22,976,271)		\$ -
<i>Net Other Changes in Fund Balance</i>	\$ 22,976,271		\$ (22,976,271)		\$ -
Market Value of Investments, June 30, 1999	<u>\$ 3,625,223,663</u>	<u>\$ 3,341,006,563</u>	<u>\$ 1,317,576,021</u>	<u>\$ 110,242,296</u>	<u>\$ 8,394,048,543</u>

See Notes to Financial Statements.

WASHINGTON STATE INVESTMENT BOARD

Insurance Funds - Accident Fund

Schedule of Investments - Unaudited

June 30, 1999

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OF SHARES</u>	<u>BOOK AND MARKET VALUE</u>
SHORT - TERM INVESTMENT FUND:				
PROVIDENT TEMPFUND B	N/A	N/A	6,890,112	\$ <u>6,890,112</u>
US GOVERNMENT SECURITIES:				
TREASURIES				
U.S.A. TREASURY	5/15/08	5.630	65,000,000	63,781,250
U.S.A. TREASURY NOTE	11/15/12	10.380	6,100,000	7,781,282
U.S.A. TREASURY NOTE	5/15/16	7.250	9,140,000	10,071,092
U.S.A. TREASURY NOTE	11/15/16	7.500	98,720,000	111,445,995
U.S.A. TREASURY NOTE	5/15/17	8.750	26,200,000	33,114,442
U.S.A. TREASURY NOTE	2/15/20	8.500	16,850,000	21,162,589
U.S.A. TREASURY NOTE	2/15/21	7.880	16,900,000	20,097,818
U.S.A. TREASURY NOTE	11/15/05	5.880	10,000,000	10,010,938
US TREASURY BOND	2/15/27	6.630	133,700,000	141,450,589
<i>TOTAL US TREASURIES</i>				\$ <u>418,915,995</u>
AGENCIES				
FHLB	2/25/04	9.500	4,500,000	5,087,790
FNMA	10/9/19		35,000,000	9,282,000
FNMA	6/1/17		31,000,000	9,551,720
RESOLUTION FDG CORP	10/15/19	8.130	51,300,000	60,934,653
RESOLUTION FDG CORP	5/15/08		16,000,000	9,299,360
RESOLUTION FDG CORP	1/15/13		26,200,000	10,977,014
TENNESSEE VALLEY AUTHORITY	9/15/34	8.250	10,000,000	10,060,100
<i>TOTAL US AGENCIES</i>				\$ <u>115,192,637</u>
TOTAL US GOVERNMENT SECURITIES				\$ <u>534,108,632</u>
MORTGAGES/MORTGAGE BACKED SECURITIES:				
PASS THROUGH MORTGAGES				
FHLMC GIANT SWAP 30-4272	6/1/18	8.500	2,979,786	3,132,381
FHLMC GIANT SWAP 30-4278	7/1/18	9.000	1,098,315	1,159,854
FHLMC GIANT SWAP 30-4281	7/1/18	9.000	1,088,956	1,149,971
FHLMC GIANT WAM SWAP 30-6660	3/15/19	7.000	540,017	539,433

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FHLMC GIANT WAM SWAP 30-6661	3/15/19	8.500	719,669	740,201
FHLMC PC 16-0011	10/1/05	8.500	9,974	10,215
FHLMC PC 16-0012	12/1/05	8.500	1,666	1,706
FHLMC PC 16-0016	8/1/06	8.500	73,331	75,424
FHLMC PC 16-0034	12/1/07	8.500	235,096	243,625
FHLMC PC 16-0038	2/1/08	8.500	13,212	13,691
FHLMC PC 16-0039	3/1/08	8.500	327,920	339,817
FHLMC PC 16-0040	3/1/08	8.750	12,966	13,457
FHLMC PC 16-0043	4/1/08	8.750	13,251	13,752
FHLMC PC 16-0049	7/1/08	8.750	234,288	243,921
FHLMC PC 16-0079	5/1/09	10.250	324,620	343,383
FHLMC PC 17-0018	2/1/08	8.500	118,726	123,033
FHLMC PC 17-0019	2/1/08	8.500	13,253	13,733
FHLMC PC 17-0029	5/1/10	12.000	139,599	152,849
FHLMC PC 17-0040	12/1/10	14.500	38,989	44,727
FHLMC PC 17-0149	12/1/15	11.000	439,597	476,580
FHLMC PC 17-0186	8/1/16	9.500	278,204	295,452
FHLMC SWAP 28-4854	12/1/16	8.500	62,614	65,867
FHLMC SWAP 28-8013	3/1/17	8.500	93,190	97,962
FHLMC SWAP 28-8307	3/1/17	8.500	72,348	75,516
FHLMC SWAP 28-9754	3/1/17	8.500	155,647	163,733
FHLMC SWAP 28-9978	4/1/17	8.500	22,886	24,017
FHLMC SWAP 29-1274	4/1/17	8.000	42,681	44,219
FHLMC SWAP 29-3905	5/1/17	8.500	28,287	29,775
FNMA CA 7423	5/1/14	11.250	12,358	13,567
FNMA CL 2463	9/1/15	11.000	25,822	28,157
FNMA GL 6222	4/1/16	9.000	377,788	406,035
GNMA SF 45231	12/15/10	10.500	35,977	38,490
GNMA SN 1470	12/15/02	6.500	64,780	67,986
HYDER PLC 144A	12/15/17	7.250	25,000,000	23,805,000
<i>TOTAL PASS THROUGH MORTGAGES</i>				<u>\$ 33,987,531</u>
OTHER MORTGAGES				
HEATHERWOOD VALLEY	1/1/19	7.500	1,251,262	1,251,262
VILLA RAINTREE	11/1/18	7.500	1,240,576	1,240,576
U S MORTGAGE	3/1/02	6.750	2,472	2,372
MCCORD MANOR	2/1/19	7.500	1,304,202	1,304,202
STRONGSVILLE SR CTR	7/1/19	7.500	2,894,724	3,023,741

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WESTIN INTERNATIONAL	7/1/02	7.660	29,919,262	30,149,640
BANCBOSTON (MERIDIAN)	8/1/09	10.250	106,311	106,659
BANCBOSTON (MERIDIAN)	3/1/10	10.380	135,341	134,145
FNMA POOL 380250	5/1/08	6.500	20,514,070	20,155,074
<i>TOTAL OTHER MORTGAGES</i>				<u>\$ 57,367,671</u>
COLLATERALIZED MORTGAGE OBLIGATIONS				
CHASE 1998-S7 A4	11/25/28	6.250	28,270,162	26,564,906
COUNTRYWIDE MTG 1993-AA10	10/25/08	6.500	13,763,329	13,496,596
CRIMI MAE FIN CORP	1/1/33	7.000	6,447,462	6,239,725
DLJ CMC 1998-CF2 A1B	10/12/08	6.240	36,985,000	35,202,207
DLJ CMC 1999-CG1 A-1B	1/10/09	6.460	10,000,000	9,649,219
FHLMC 1648 HD	7/15/23	6.000	21,520,000	20,161,442
FHLMC 1671 G	8/15/23	6.500	15,000,000	14,910,900
FHLMC 1697 PJ	7/15/08	6.000	15,000,000	14,793,750
FHLMC 1993 1489 H	10/15/07	6.250	10,000,000	9,956,200
FHLMC 1993 1515 Y7	2/15/08	6.500	8,406,000	8,429,621
FHLMC 1993 1639 M	12/15/08	6.000	13,500,000	12,964,185
FHLMC 1998 2046 G	4/15/28	6.500	10,000,000	9,253,100
FHLMC 1998 2070 C	7/15/28	6.000	25,000,000	22,382,813
FHLMC 1998 2075 D	8/15/28	6.500	25,000,000	23,054,688
FHLMC 2100 GS	12/15/13	6.500	26,666,000	25,949,351
FHLMC 2139-B	3/15/29	6.500	32,908,000	30,820,399
FNMA 1994 19B	1/25/24	5.000	16,800,000	15,928,416
FNMA 1994 40 Y6	6/25/22	6.000	10,000,000	9,793,700
FNMA 1994 51 PH	1/25/23	6.500	15,000,000	14,929,650
FNMA 1994 62 PH	11/25/23	6.900	10,000,000	10,062,500
GE CAP MTG 1994-6A10	3/25/24	6.500	15,320,000	14,214,049
GE CAPITAL MTG 1992-13F	12/25/07	7.000	11,000,000	10,993,070
GE CAPITAL MTG 1994-12 A-12	3/25/09	6.000	15,000,000	14,446,800
GNMA 1998-12 EB	5/20/28	6.500	23,387,140	21,622,113
PRU HOME 93-51 A14	12/25/23	6.750	6,250,000	6,052,688
PRUHOME MTG 1993-44 A18	11/25/23	6.750	13,000,000	12,545,000
RFMSI 1998-S31 A2	12/25/25	6.500	25,600,000	23,600,128
<i>TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS</i>				<u>\$ 438,017,215</u>
TOTAL MORTGAGES/MORTGAGE BACKED				<u><u>\$ 529,372,417</u></u>

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ASSET BACKED SECURITIES:				
DISCOVER CARD TR 1993-3 A ABS	11/15/03	6.200	7,000,000	6,916,840
MID STATES TRUST IV	4/1/30	8.330	3,078,759	3,199,985
STANDARD CR CARD MASTER TRUST	4/7/06	7.250	14,000,000	14,332,500
STD CR CARD 1995-9A ABS	10/7/07	6.550	7,370,000	7,342,363
TOTAL ASSET BACKED SECURITIES				\$ 31,791,688
CORPORATE OBLIGATIONS:				
AETNA SERVICES INC	8/15/06	7.130	8,500,000	8,479,345
AIRTOUCH COMM	7/15/06	7.500	5,000,000	5,193,550
ALBERTSON'S INC. MTN	2/23/28	6.570	33,500,000	30,650,490
AMERICAN STORES CO MTN	6/9/03	7.200	5,000,000	5,068,600
ANHEUSER BUSCH COS INC	12/1/09	9.000	20,000,000	23,182,200
ANHEUSER BUSCH COS INC	7/1/23	7.380	5,000,000	5,006,000
ANHEUSER BUSCH COS INC MTN	12/1/00	7.960	5,000,000	5,136,300
ASSOCIATED DRY GOODS	3/1/06	8.850	1,900,000	2,082,837
ASSOCIATES CORP NORTH AME	9/30/01	7.880	5,000,000	5,171,750
AT & T CORP	3/15/09	6.000	30,000,000	28,193,700
BANK OF NEW YORK	12/15/04	8.500	5,500,000	5,961,230
BANK ONE DAYTON	4/15/03	6.630	5,100,000	5,114,484
BANKAMERICA CORP	7/15/02	7.750	5,000,000	5,191,700
BANKAMERICA CORP	12/1/02	7.880	5,405,000	5,661,846
BELLSOUTH CORP	12/15/15	6.300	9,013,400	8,560,206
BENEFICIAL CORP MTN	11/25/02	7.640	10,000,000	10,280,600
BOC GROUP INC 144A	6/15/06	7.450	10,000,000	10,383,300
BOEING CO	8/15/21	8.750	15,000,000	17,420,550
BOEING CO	2/15/38	6.630	25,000,000	22,438,750
BURLINGTON NO SANTA FE	12/15/25	7.000	10,000,000	9,404,200
BURLINGTON NORTHERN INC	8/1/02	7.000	12,750,000	12,937,298
BURLINGTON NORTHERN RR	10/1/06	9.250	4,000,000	4,431,560
CANADIAN NATIONAL RAILWAY CO	7/15/28	6.900	13,700,000	12,879,370
CARNIVAL CRUISE	10/1/03	6.150	8,500,000	8,362,215
CARTER HOLT HARVEY LTD	12/1/04	8.880	6,000,000	6,299,040
CASE CREDIT	2/15/03	6.130	10,000,000	9,684,600
CENTURY TELEPHONE ENTPRS	1/15/28	6.880	25,000,000	23,006,750
CHASE MANHATTAN CORP	2/15/02	8.500	3,000,000	3,155,910
CHEMICAL BANK	6/1/05	7.000	10,000,000	10,056,500

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CHEMICAL BANK	11/1/08	6.130	3,075,000	2,884,934
CHESAPEAKE & POTOMAC TEL MD	6/1/04	5.880	750,000	750,090
CHESAPEAKE & POTOMAC TEL MD	10/1/08	6.630	490,000	494,268
CHICAGO & NWESTN TRANS	7/30/12	6.250	4,588,834	4,287,577
CINCINNATI GAS & ELEC	6/1/25	6.900	5,000,000	5,028,350
CINCINNATI GAS & ELEC	2/15/04	6.450	8,000,000	7,919,200
CINERGY CORP 144A	12/16/08	6.530	30,000,000	28,384,500
CIRCUS CIRCUS ENTERPRISE	2/1/06	6.450	11,850,000	10,794,876
COLORADO INTERSTATE GAS	6/15/05	10.000	4,750,000	5,372,488
CONAGRA	9/15/04	7.400	10,000,000	10,308,700
CSR AMERICA INC	7/21/05	6.880	5,000,000	4,826,600
CSW INVTs	1/1/06	7.450	15,000,000	15,497,250
DAYTON HUDSON	3/1/03	6.630	13,000,000	13,015,990
DEAN WTR DISCV	3/1/03	6.880	10,000,000	10,135,000
DR INVESTMENTS	5/15/07	7.450	20,000,000	20,108,000
ELEC DATA SYSTEM	5/15/05	7.130	10,000,000	10,112,500
ENRON CORP	7/15/28	6.950	20,000,000	18,253,400
EOP OPER LTD PARTNERSHIP	2/15/18	7.250	6,000,000	5,506,440
FEDERATED DEPARTMENT STORES	2/15/28	7.000	35,000,000	32,448,850
FIRST UNION CORP	2/15/03	7.250	17,000,000	17,433,670
FLORIDA GAS TRANSMISSION	11/1/04	8.630	10,000,000	10,861,200
FLORIDA GAS TRANSMISSION	11/1/24	9.190	3,000,000	3,390,780
FORD MOTOR CO	2/15/28	6.630	25,000,000	22,534,500
FORD MOTOR CREDIT CO	6/15/02	8.000	17,000,000	17,706,690
FORD MOTOR CREDIT CORP	11/15/02	7.750	10,000,000	10,376,900
FORD MOTOR CREDIT CORP	2/15/02	8.200	5,000,000	5,215,450
GENERAL MTRS ACCEPT CORP	1/1/03	8.500	10,000,000	10,612,000
GEORGIA-PACIFIC	6/15/02	9.950	15,000,000	16,326,150
GEORGIA-PACIFIC	5/15/22	9.500	5,000,000	5,269,350
GEORGIA-PACIFIC	4/30/25	8.630	5,000,000	5,083,700
GOLDMAN SACHS 144A	2/15/06	6.750	15,000,000	14,720,550
GOLDMAN SACHS GROUP LP 144A	12/1/04	6.630	5,000,000	4,964,700
GREAT WESTERN FIN	2/1/02	8.600	6,070,000	6,375,139
GTE CORP	11/1/21	8.750	15,000,000	17,212,800
HANSON OVERSEAS	9/15/05	6.750	20,000,000	19,949,200
HANSON PLC	1/15/03	7.380	10,000,000	10,298,900
HERSHEY FOODS CORP	2/15/21	8.800	10,000,000	11,571,300
HOUSEHOLD FINANCE CO	2/15/05	8.250	10,000,000	10,673,400
HOUSEHOLD FINANCE CORP	3/1/03	6.880	15,000,000	15,153,750

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ICI WILMINGTON	9/15/04	6.950	12,400,000	12,459,768
INDIANTOWN COGENERATION	12/15/10	9.260	5,000,000	5,215,100
INTER AMERN DEV BK	3/15/11	8.500	20,000,000	22,937,500
INTL BUSINESS MACHINES	11/1/19	8.380	15,000,000	17,158,050
KANSAS GAS & ELEC	9/29/03	6.760	6,526,422	6,537,322
KN ENERGY INC	3/1/28	7.250	25,000,000	21,822,750
KOREA ELECTRIC POWER	12/1/03	6.380	5,000,000	4,721,350
LEGRAND	2/15/25	8.500	8,925,000	9,895,862
LORAL CORP	6/15/04	7.630	6,000,000	6,184,500
MBIA INC	10/1/28	6.630	15,000,000	13,396,050
MBNA CORP MTN	9/15/00	6.500	7,000,000	7,017,990
MCI COMMUNICATIONS CORP	8/20/04	7.500	10,000,000	10,307,700
MCI COMMUNICATIONS CORP	3/15/24	7.750	5,000,000	4,961,000
MELLON FINANCIAL	2/15/10	6.380	25,000,000	23,714,500
MONSANTO COMPANY 144A	12/1/28	6.600	15,000,000	13,509,000
MORGAN STANLEY & CO INC	5/15/03	7.030	10,000,000	9,950,000
MORGAN STANLEY GROUP INC	12/15/03	6.380	7,500,000	7,452,075
NCNB CORP	9/15/09	9.380	5,000,000	5,753,050
NEW YORK TEL CO	11/15/10	8.630	15,000,000	16,992,900
NORFOLK SOUTHERN	3/1/21	9.000	20,000,000	23,297,400
NOVA GAS TRANSMISSION	12/8/04	8.500	4,000,000	4,243,240
OCCIDENTAL PETE	4/1/28	7.200	10,000,000	9,081,900
PACIFIC TELECOM INC MTN	10/20/05	6.630	10,000,000	9,889,000
PACIFICORP HOLDINGS	4/1/06	7.200	7,500,000	7,620,600
PANHANDLE EASTERN PIPELINE	5/15/05	7.250	10,000,000	10,072,200
PANHANDLE EASTERN PIPELINE	8/15/04	7.880	10,000,000	10,577,000
PG&E GAS TRANSMISSION	6/1/05	7.100	10,000,000	10,078,800
PNC BANK	4/15/05	7.880	5,000,000	5,210,200
PNC FUNDING CORP	6/1/04	7.750	5,250,000	5,470,815
POTOMAC ELEC PWR CO	2/15/03	6.630	500,000	504,000
PROGRESSIVE CORP	1/15/04	6.600	10,000,000	9,952,900
QUESTAR PIPELINE	6/1/21	9.380	3,000,000	3,263,790
REPUBLIC NEW YORK CORP	2/15/07	8.380	1,000,000	1,082,560
RITE AID CORP (RAD)	2/15/27	7.700	15,000,000	14,411,400
RITE-AID CORP 144A	12/15/08	6.130	10,000,000	9,081,000
RITE-AID CORP 144A	12/15/28	6.880	10,000,000	8,726,840
SAFECO CAPITAL TRUST I	7/15/37	8.070	3,100,000	2,940,691
SAFECO CORP	4/1/05	7.880	7,000,000	7,180,600
SAGA PETROLEUM A.S.	7/15/04	8.400	5,000,000	5,272,300

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SANTANDER FIN ISSUANCES	7/15/05	6.800	14,300,000	14,170,728
SECURITY CAPITAL GROUP 144A	6/15/28	7.700	20,000,000	17,106,000
SKANDINAVISKA ENSKILDA	2/15/09	6.880	10,000,000	9,744,400
SOCIETY CORP	6/15/02	8.130	4,750,000	4,978,523
SOCIETY NATIONAL BANK	6/15/03	6.750	2,625,000	2,648,494
SONAT INC	2/1/18	7.000	15,000,000	13,858,950
SOUTHWESTERN BELL TELE	10/15/26	7.200	10,000,000	9,480,200
SPIEKER PROPERTIES INC	10/1/27	7.500	20,000,000	18,144,200
SPRINT CAPITAL CORP	11/15/28	6.880	45,000,000	40,797,900
SWIFT BANK CORP - NY	6/15/17	7.380	2,500,000	2,493,750
TIME WARNER ENTERTAINMENT	9/1/08	7.250	25,500,000	25,497,450
TIME WARNER INC	1/15/28	6.950	10,000,000	9,267,700
TRANSCANADA PIPELINE	5/15/12	8.630	5,000,000	5,487,950
U S BANCORP	10/15/05	6.750	10,000,000	9,903,800
UNION PACIFIC CO	5/1/05	7.600	13,000,000	13,413,660
UNION PACIFIC CO	5/1/25	8.350	5,000,000	5,133,000
UNION PACIFIC CORP	2/1/06	6.400	10,000,000	9,660,300
UNION PACIFIC RESOURCES	5/15/28	7.150	27,000,000	23,952,510
UNITED PARCEL SVC AMER INC	4/1/20	8.380	35,000,000	38,650,850
UNITED TECHNOLOGIES MTN	12/15/99	8.300	15,000,000	15,166,050
UNITED TELECOM	4/1/03	9.500	2,000,000	2,167,120
US WEST CAP FUNDING INC	7/15/28	6.880	10,000,000	9,139,000
WELLS FARGO & CO	8/15/06	7.130	10,000,000	10,187,700
WEYERHAEUSER CO	1/15/25	8.500	5,000,000	5,633,650
WEYERHAEUSER CO	3/15/25	7.950	5,000,000	5,319,350
WILLIAMS COS INC	11/15/04	6.630	10,000,000	9,873,400
WILLIAMS HLDGS OF DEL	2/1/06	6.250	5,000,000	4,758,000
WORLDCOM INC	8/15/28	6.950	25,000,000	23,698,750
ABN-AMRO BNK NV (CHICAGO)	5/31/05	7.250	10,000,000	10,207,600
ATHABASCA OIL SANDS	4/1/27	8.200	5,950,000	5,761,980
CANADIAN NAT'L RR	5/15/03	6.630	8,000,000	7,932,000
CANADIAN NAT'L RR	3/15/04	7.000	10,000,000	10,047,500
CANADIAN NATL RR CTF 97-2A	1/2/16	7.200	21,703,000	20,810,790
CERRO NEGRO FINANCE LTD	6/1/28	8.030	15,000,000	10,387,500
ENERGY GROUP OVERSEAS BV	10/15/27	7.550	18,000,000	17,221,860
FLETCHER CHALLENGE CAP CAN	6/20/06	7.750	10,000,000	10,027,300
FSFC T A8	11/15/28	7.000	26,245,000	25,767,079
HYDRO QUEBEC MTN	4/12/05	7.000	3,000,000	3,016,740
HYDRO-QUEBEC	1/15/27	8.250	10,000,000	11,035,300

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HYDRO-QUEBEC	4/15/30	9.380	25,000,000	31,062,500
MANITOBA PROV CDA	12/1/18	9.630	20,000,000	25,387,600
MANITOBA PROV CDA	9/15/02	6.880	10,000,000	10,169,200
NAT'L WESTMINSTER BANK	10/16/07	7.750	13,370,000	13,280,287
NORSK HYDRO	11/15/25	7.150	5,000,000	4,647,650
NORSK HYDRO A/S	10/1/16	7.500	10,000,000	9,848,300
NORSK HYDRO A/S	1/15/29	7.150	35,000,000	32,457,950
NOVA SCOTIA PROV CDA	7/15/02	9.380	25,000,000	27,080,000
ONTARIO PROV CDA	6/22/04	7.630	13,000,000	13,707,200
ONTARIO PROVINCE	10/1/08	5.500	15,000,000	13,803,600
PDVSA FIN LTD	11/15/28	7.500	20,000,000	14,450,000
PETROLIUM NASIONAL BERHAD	7/1/03	6.880	5,000,000	4,779,650
POTASH CORP SASKATCHEWAN CDA	6/15/07	7.130	10,000,000	9,907,000
QUEBEC PROVINCE	2/9/24	7.130	5,000,000	4,867,950
ROYAL CARIBBEAN CRUISES	10/15/27	7.500	10,000,000	9,377,700
SAFERCO MTN	5/31/07	9.650	16,000,000	19,064,480
SAFERCO MTN	5/31/06	9.650	10,000,000	11,693,000
SASKATCHEWAN CDA	7/15/04	8.000	10,000,000	10,710,900
TOTAL CORPORATE OBLIGATIONS				<u>\$ 1,888,041,723</u>
EQUITY INDEX FUNDS:				
BGI US EQUITY MKT			45,554,885	509,546,646
STATE STREET MSCI EAFE INDEX			1,283,702	79,099,696
TOTAL EQUITY INDEX FUNDS				<u>\$ 588,646,342</u>
TOTAL MARKET VALUE OF INVESTMENTS				<u>\$ 3,578,850,913</u>

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SHORT - TERM INVESTMENT FUND:				
PROVIDENT TEMPFUND B	N/A	N/A	9,009,604	\$ 9,009,604
US GOVERNMENT SECURITIES:				
TREASURIES				
U.S.A. TREASURY	7/31/02	6.000	28,000,000	28,288,680
U.S.A. TREASURY NOTE	8/15/02	6.380	6,000,000	6,120,000
U.S.A. TREASURY NOTE	5/15/04	7.250	15,000,000	15,925,800
U.S.A. TREASURY NOTE	11/30/00	5.630	50,000,000	50,125,000
U.S.A. TREASURY NOTE/STRIP	2/15/04	N/A	12,200,000	9,359,230
US TREASURY	5/15/07	6.630	40,000,000	41,731,200
<i>TOTAL US TREASURIES</i>				<u>\$ 151,549,910</u>
AGENCIES				
FHLB	2/25/04	9.500	3,700,000	4,183,294
FHLB/GLOBAL SR NT	9/2/08	5.800	10,000,000	9,554,700
FNMA	2/15/08	5.750	40,000,000	38,318,800
GUARANTEED TRADE TR 1994-A	6/26/06	7.390	5,833,333	6,083,583
RESOLUTION FDG CORP/STRIP	4/15/06	N/A	25,000,000	16,614,750
RESOLUTION FDG CORP/STRIP	4/15/07	N/A	36,301,000	22,408,244
<i>TOTAL US AGENCIES</i>				<u>\$ 97,163,372</u>
TOTAL US GOVERNMENT SECURITIES				<u>\$ 248,713,282</u>
MORTGAGES/MORTGAGE BACKED SECURITIES:				
PASS THROUGH MORTGAGES				
FHLMC 2008 B	8/15/25	6.500	20,000,000	19,418,600
FHLMC GIANT SWAP 30-4272	6/1/18	8.500	3,574,340	3,757,381
FHLMC GIANT SWAP 30-4278	7/1/18	9.000	1,204,578	1,272,071
FHLMC GIANT SWAP 30-4281	7/1/18	9.000	1,195,511	1,262,495
FHLMC GNOME 38-0021	5/1/03	9.000	543,609	556,422
FHLMC PC 16-0079	5/1/09	10.250	324,620	343,383
FHLMC PC 17-0147	11/1/15	11.000	300,879	326,685
FHLMC PC 17-0186	8/1/16	9.500	278,204	295,452

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FNMA CA 7423	5/1/14	11.250	6,179	6,783
FNMA CL 2463	9/1/15	11.000	53,078	57,879
GNMA 1 SF 780052	12/15/08	7.000	4,211,942	4,251,408
GNMA 1 SF334780	8/15/25	7.500	3,625,798	3,668,837
GNMA 1 SF393278	8/15/25	7.500	470,100	475,680
GNMA 1 SF409930	8/15/25	7.500	627,112	634,556
GNMA 1 SF410088	8/15/25	7.500	1,072,295	1,085,023
GNMA 1 SF413882	7/15/25	7.500	1,448,268	1,465,459
GNMA 1 SF413886	8/15/25	7.500	505,426	511,426
GNMA 1 SF414075	8/15/25	7.500	495,010	500,886
GNMA 1 SF414098	8/15/25	7.500	2,602,485	2,633,376
GNMA 1 SF415983	8/15/25	7.500	625,256	632,678
GNMA GP 90132	5/15/09	9.000	38,856	40,987
GNMA GP 90178	5/15/09	9.000	88,602	93,463
GNMA II SF 120666	9/15/14	13.000	775,390	895,404
<i>TOTAL PASS THROUGH MORTGAGES</i>				<u>\$ 44,186,335</u>
OTHER MORTGAGES				
EUCLID APTS	5/1/19	7.500	1,389,877	1,389,877
VIRGINIA APTS	7/1/18	7.500	1,725,841	1,725,841
FNMA DUS PL 380826	11/1/08	5.800	3,570,986	3,344,586
FNMA DUS PL 380827	11/1/08	5.750	3,973,014	3,710,398
FNMA DUS PL 381006	12/1/08	6.000	7,694,214	7,434,150
FNMA PL 380320	6/1/08	6.380	5,243,299	5,113,790
NATIONS BANC	10/25/09	10.500	129,113	133,556
<i>TOTAL OTHER MORTGAGES</i>				<u>\$ 22,852,196</u>
COLLATERALIZED MORTGAGE OBLIGATIONS				
CMO PRU HOME 1994-5-A1	2/25/24	7.000	34,436	34,307
COM MTG ACCEPT CORP 1998-C2 A3	9/15/30	6.040	13,400,000	12,639,969
COUNTRYWIDE 1998-19 A13	12/25/28	6.500	25,000,000	23,062,500
COUNTRYWIDE MTG 1993-AA10	10/25/08	6.500	8,908,880	8,736,226
COUNTRYWIDE MTG 1994-3 A7	3/25/24	6.750	7,177,623	7,148,410
COUNTRYWIDE MTG 93-2 A3	9/25/08	6.500	4,059,953	4,056,137
COUNTRYWIDE MTG 94-13 A10	6/25/09	6.500	3,432,724	3,410,171
DLJ CMC 1999-CG1 A-1B	1/10/09	6.460	10,000,000	9,649,219
FHLM REMIC 1927 A	1/15/20	6.500	12,549,883	12,589,039

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FHLMC 1271 G	8/15/06	7.000	10,478,000	10,579,427
FHLMC 1673 Y5	2/15/19	6.000	15,000,000	14,925,000
FHLMC 1706 H	6/15/23	6.500	5,000,000	4,970,300
FHLMC 1992 1336 H	1/15/21	7.750	9,138,742	9,230,130
FHLMC 1993 1505 D	8/15/18	5.500	10,000,000	9,868,700
FHLMC 1993 1530 G	10/15/21	6.500	10,000,000	9,868,700
FHLMC 1993 1591 PN	6/15/19	5.950	13,000,000	12,922,780
FHLMC 1993 1620 PG	8/15/18	6.000	10,000,000	9,950,000
FHLMC 1993 1639 M	12/15/08	6.000	9,248,202	8,881,141
FHLMC 1994 1714 E	9/15/18	6.250	11,140,469	11,164,755
FHLMC 1994 1727 E	4/15/18	6.500	18,114,150	18,221,567
FHLMC 1994 G-29 F	2/25/18	7.000	10,481,643	10,543,799
FHLMC 1996 1843A	4/15/19	6.500	3,301,984	3,320,541
FHLMC-GNMA93-12 E	3/25/08	6.000	7,481,250	7,453,195
FHLMC/GNMA 29X	2/25/23	6.750	4,137,633	4,106,601
FHLMC/GNMA-29 Y5	2/25/18	6.250	12,577,962	12,589,660
FNMA 1992 205K	5/25/21	6.500	16,000,000	15,684,960
FNMA 1993 116E	7/25/22	6.500	3,000,000	2,979,360
FNMA 1993 142B	6/19/25	6.250	6,650,000	6,633,375
FNMA 1993 149H	9/20/25	6.000	5,086,000	5,051,008
FNMA 1993 202N	2/25/22	6.500	5,000,000	4,998,400
FNMA 1993 204 EC	10/23/25	5.950	2,715,585	2,702,007
FNMA 1993 20PG	2/25/19	6.500	10,000,000	10,003,100
FNMA 1993 28 Y5	3/25/07	6.500	20,000,000	19,950,000
FNMA 1993 44 PG	9/25/16	6.450	17,700,000	17,760,711
FNMA 1993 56 P6	2/25/21	6.750	10,000,000	9,990,600
FNMA 1993 77G	11/19/25	6.500	47,000,000	47,117,500
FNMA 1993 84 Y9	6/25/18	6.450	12,000,000	12,003,720
FNMA 1993 85G	3/25/08	6.500	5,281,307	5,296,148
FNMA 1994 20-Z	2/25/09	6.500	18,246,235	17,732,968
FNMA 1994 23PC	7/17/25	6.000	7,895,507	7,890,533
FNMA 1994 37G	11/18/25	6.000	5,385,000	5,347,951
FNMA 1999-16 VB	12/25/18	6.500	2,920,031	2,774,029
FNMA G93-33 H	11/25/20	6.600	5,320,000	5,304,998
FNMA TRUST PREASSIGN 00575	6/20/35	7.000	1,648,837	1,614,377
FNMA1993-252E	8/25/17	6.000	10,065,487	10,049,684
GE CAPITAL MTG SVC 94-1 A6	1/25/24	6.500	6,380,997	6,367,023
INMC 95-D A8	10/25/09	9.000	5,000,000	5,039,050
NASCOR 1997-1 A2	2/25/12	6.500	1,711,586	1,705,698

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NSCOR 1998-29 A10	11/25/28	6.250	20,000,000	18,346,000
NSCOR 1998-33 A5	1/25/29	6.250	25,000,000	22,927,500
PMAC 1999-C1 A2 CMBS	4/15/09	6.820	10,000,000	9,907,800
PRU HOME MTG 1994-14 A2	4/25/09	6.400	2,394,757	2,395,499
RES ASSET SECS 1995-KS3 A3-I	10/25/24	8.000	2,051,741	2,051,741
RESIDENT FD MTG 93-S45 A8	12/25/23	6.500	7,092,683	7,037,218
RFMSIO1993-S22A6	6/25/23	7.000	2,543,256	2,544,833
SASI 1993-7 TA1	12/25/23	6.250	580,232	580,232
VA VENDEE MTF 94-2 3C	11/15/09	6.500	1,256,457	1,254,485
VA VENDEE MTG 1994-1C	9/15/10	6.300	4,732,938	4,728,489
<i>TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS</i>				<u>\$ 535,693,270</u>
TOTAL MORTGAGE/MORTGAGE BACKED				<u>\$ 602,731,801</u>
ASSET BACKED SECURITIES:				
1ST PLUS HM LN OWN 97-1 A5	11/10/11	6.700	10,000,000	10,146,000
AMERICREDIT 1997-A A3	8/12/00	6.540	8,607,204	8,648,518
CONTIMORTGAGE HOME EQ LN	10/15/11	6.600	6,225,144	6,219,292
CONTIMORTGAGE HOME EQ LN	3/15/14	6.710	10,000,000	10,006,200
IMC HOME EQ LN TR 97-7 A8 ABS	2/20/29	6.650	16,000,000	15,918,400
MBNA MA CR CD 95-C A	2/15/08	6.450	25,500,000	25,436,250
MID STATES TRUST IV	4/1/30	8.330	3,078,759	3,199,985
STD CR CARD 1995-3A ABS	2/7/02	7.850	4,000,000	4,051,200
TOTAL ASSET BACKED SECURITIES				<u>\$ 83,625,846</u>
CORPORATE OBLIGATIONS:				
AEGON NV	8/15/06	8.000	22,000,000	23,194,160
AETNA SERVICES INC	8/15/06	7.130	8,000,000	7,980,560
AIRTOUCH COMM	7/15/06	7.500	5,000,000	5,193,550
AMERICAN STORES	5/15/05	7.400	5,000,000	5,042,200
APACHE CORP	12/15/07	6.500	25,000,000	23,835,250
ASSOCIATES CORP M.T.N.	1/28/00	6.910	3,000,000	3,018,360
ASSOCIATES CORP NORTH AME	6/15/00	6.000	4,000,000	4,002,000
ASSOCIATES CORP NORTH AME	9/30/01	7.880	7,500,000	7,757,625
BEAR STERNS & CO	6/15/00	6.500	8,000,000	8,018,640
BELLSOUTH CORP	12/15/15	6.300	6,309,380	5,992,144
BELLSOUTH TELECOM	6/15/05	6.500	5,650,000	5,619,490

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BENEFICIAL CORP MTN	11/22/99	7.270	10,000,000	10,061,000
BENEFICIAL FIN	11/15/99	7.300	8,000,000	8,047,360
BOC GROUP INC 144A	6/15/06	7.450	10,000,000	10,383,300
BURLINGTON NO SANTA FE	12/15/05	6.380	10,000,000	9,755,100
CARNIVAL CRUISE	5/15/05	7.050	10,000,000	10,116,700
CARTER HOLT HARVEY LTD	12/1/04	8.880	5,000,000	5,249,200
CASE CREDIT	2/15/03	6.130	10,000,000	9,684,600
CASE CREDIT CORP MTN	3/1/02	6.150	4,700,000	4,633,777
CINERGY CORP 144A	12/16/08	6.530	10,000,000	9,461,500
CIRCUS CIRCUS ENTERPRISE	2/1/06	6.450	8,000,000	7,287,680
CIT GROUP HLDGS	2/15/04	5.500	20,000,000	19,086,800
CITICORP	11/1/04	8.630	9,500,000	9,595,285
COMMERCIAL CREDIT CO	3/1/00	6.130	25,000,000	25,042,500
CS FIRST BOSTON	5/15/06	7.750	15,000,000	15,271,950
CSR AMERICA INC	7/21/05	6.880	5,000,000	4,826,600
CSW ENERGY	10/1/01	6.880	20,000,000	19,978,000
CSW INVTS NT 144A	8/1/01	6.950	17,000,000	17,150,450
CSX CORP	5/1/02	7.050	35,000,000	35,399,350
DEN DANSKE BANK	6/15/10	7.400	12,000,000	12,182,160
DR INVESTMENTS 144A	5/15/02	7.100	29,700,000	29,970,270
DUKE CAPITAL CORP	7/15/05	6.250	15,000,000	14,493,600
ELEC DATA SYSTEM	5/15/05	7.130	10,000,000	10,112,500
ENRON CORP	7/15/06	6.400	10,000,000	9,627,600
EOP OPERATING LP 144A	2/15/08	6.750	5,000,000	4,728,000
FIRST UNION CORP	4/1/08	6.400	15,000,000	14,413,950
FORD MOTOR CREDIT CORP	4/15/00	6.380	4,000,000	4,011,680
FORD MOTOR CREDIT CORP	2/15/02	8.200	5,000,000	5,215,450
GENERAL MTRS ACCEPT CORP	10/1/99	8.000	5,000,000	5,028,400
GENERAL MTRS ACCEPT CORP	8/15/01	7.000	20,000,000	20,297,200
GEORGIA-PACIFIC	6/15/02	9.950	10,835,000	11,792,922
GMAC	2/7/02	6.750	20,000,000	20,158,800
GOLDMAN SACHS 144A	2/15/06	6.750	15,000,000	14,720,550
GOLDMAN SACHS GROUP	5/15/09	6.650	20,000,000	19,285,400
GOLDMAN SACHS GROUP LP 144A	12/1/04	6.630	10,000,000	9,929,400
GRAND METROPOLITAN	1/6/04		10,000,000	7,499,000
GTE CORP	6/1/03	9.100	5,000,000	5,401,700
GTE HAWAII	2/1/06	7.000	8,265,000	8,181,358
GTE NORTH	1/1/21	9.600	9,769,000	10,682,402
HELLER FINANCIAL INC	11/1/01	6.500	17,000,000	17,061,710

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HOUSEHOLD FINANCE CORP	3/1/03	6.880	5,000,000	5,051,250
HSBC AMERICAS INC	11/1/06	7.000	5,000,000	4,946,000
ICI WILMINGTON	9/15/04	6.950	10,000,000	10,048,200
INTL LEASE FINANCE	5/1/00	6.200	5,000,000	5,008,350
KANSAS GAS & ELEC	9/29/03	6.760	6,526,422	6,537,322
KERN RIVER FUNDING CORP	9/30/01	6.720	20,000,000	20,135,800
KN ENERGY INC	3/1/08	6.800	20,000,000	18,815,800
MBNA AMER BANK NA	9/15/02	7.250	5,000,000	5,036,550
MBNA CORP	6/1/05	6.880	9,500,000	9,266,395
MELLON FINANCIAL	2/15/10	6.380	25,000,000	23,714,500
MERRILL LYNCH & CO	2/12/03	6.000	23,000,000	22,669,490
MONSANTO COMPANY 144A	12/1/08	5.880	15,000,000	13,912,200
MONTAN POWER CO	2/1/07	8.250	12,500,000	13,221,375
MORGAN STANLEY & CO INC	5/15/03	7.030	10,000,000	9,950,000
NATIONASBANK CORP	8/15/03	6.500	10,000,000	10,015,200
NORANDA FOREST INC	11/15/05	6.880	7,500,000	7,023,000
NORTHERN TELECOM	6/12/01	8.750	11,555,000	12,065,615
NORTHWEST PIPELINE CORP	12/1/07	6.630	20,000,000	19,394,800
NOVA GAS TRANSMISSION	7/6/99	7.250	10,000,000	10,001,600
OCCIDENTAL PETROLEUM	2/15/06	7.650	20,000,000	20,211,400
PACIFIC TELECOM INC MTN	10/20/05	6.630	10,000,000	9,889,000
PACIFICORP HOLDINGS	4/1/01	6.750	6,500,000	6,559,150
PACIFICORP HOLDINGS	4/1/06	7.200	7,500,000	7,620,600
PANHANDLE EASTERN PIPELINE	12/1/99	8.630	5,000,000	5,059,400
PANHANDLE EASTERN PIPELINE	5/15/05	7.250	5,000,000	5,036,100
PDVSA FIN LTD	11/15/08	6.800	14,000,000	11,445,000
PG&E GAS TRANSMISSION	6/1/05	7.100	7,500,000	7,559,100
PNC FUNDING CORP	9/1/03	6.130	10,000,000	9,749,000
PRICE COSTCO INC	6/15/05	7.130	10,000,000	9,779,400
PROGRESSIVE CORP	6/1/06	7.300	15,000,000	15,126,150
RITE AID CORP	12/15/01	6.700	15,000,000	14,926,050
RITE AID CORP	1/15/07	7.130	14,000,000	13,637,120
RITE-AID CORP 144A	12/15/08	6.130	9,800,000	8,899,380
ROYAL CARIBBEAN CRUISES	7/28/04	8.130	8,000,000	8,325,120
SALOMON INC	3/1/00	6.500	15,000,000	15,093,300
SAMSUNG ELECTRONICS CO 144A	10/1/02	7.450	15,000,000	14,430,450
SANTANDER FIN ISSUANCES	7/15/05	6.800	10,000,000	9,909,600
SECURITY CAPITAL GROUP 144A	6/15/05	6.950	15,000,000	14,007,000
SKANDINAVISKA ENSKILDA	2/15/09	6.880	10,000,000	9,744,400

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SMITH BARNEY HOLDINGS	6/15/05	6.880	10,000,000	10,046,500
SOLOMON SMITH BARNEY HLD	5/15/03	6.250	12,000,000	11,849,040
SONAT INC	2/1/08	6.630	22,275,000	21,251,909
SPRINT CAPITAL CORP	11/15/08	6.130	12,500,000	11,536,125
STAR BK NA, OH TR SB 00001	12/15/06	6.630	10,000,000	9,736,400
TIME WARNER ENTERTAINMENT	10/1/12	8.880	9,050,000	10,081,700
TRIBUNE COMPANY	10/6/08	5.500	15,000,000	13,591,050
U S BANCORP	10/15/05	6.750	5,100,000	5,050,938
UNION OIL OF CA MTN	10/15/07	6.700	10,000,000	9,648,800
UNION PACIFIC CO	5/1/05	7.600	10,000,000	10,318,200
UNION PACIFIC RESOURCES	10/15/06	7.000	7,500,000	7,203,675
UNION PACIFIC RESOURCES	5/15/05	6.500	10,000,000	9,541,200
WACHOVIA CORP	6/21/04	6.700	15,000,000	15,074,850
WESTERN RESOURCES INC	8/15/03	6.250	15,000,000	14,724,300
WILLIAMS COS	9/15/99	7.500	5,000,000	5,018,150
WILLIAMS COS INC	11/15/04	6.630	20,000,000	19,746,800
WILLIAMS HLDGS OF DEL	2/1/06	6.250	5,000,000	4,758,000
WORLDCOM INC	8/15/05	6.400	15,000,000	14,674,500
YORKSHIRE POWER	2/25/08	6.500	15,000,000	14,238,600
KOREA TELECOM	12/1/99	7.400	6,400,000	6,359,808
ABN-AMRO BNK NV (CHICAGO)	5/31/05	7.250	10,000,000	10,207,600
BANK OF SCOTLAND 144A	11/20/07	7.000	20,000,000	19,786,200
CROWN CORK + SEAL FIN PLC	12/15/03	6.750	4,000,000	3,948,240
CROWN CORK + SEAL FIN PLC	12/15/06	7.000	10,000,000	9,778,200
CROWN CORK + SEAL FIN SA	12/15/03	6.750	6,000,000	5,922,360
DUETSCHKE BANK FINANCIAL	4/25/09	7.500	15,000,000	15,384,900
FLETCHER CHALLENGE CAP CAN	6/20/06	7.750	10,000,000	10,027,300
GLAXO WELLCOME	1/25/06	6.130	10,000,000	9,704,000
ONTARIO PROVINCE	10/1/08	5.500	15,000,000	13,803,600
POTASH CORP SASKATCHEWAN CDA	6/15/07	7.130	3,000,000	2,972,100
QUEBEC PROV CDA	3/1/00	9.130	5,750,000	5,868,565
QUEBEC PROVINCE CDA	7/15/02	7.500	5,000,000	5,143,600
ROYAL BANK SCOTLAND PLC	4/1/09	6.400	15,000,000	14,170,950
ROYAL BK CDA NY BRH	10/24/11	6.750	20,000,000	19,623,000
SASKATCHEWAN CDA	7/15/04	8.000	12,000,000	12,853,080
SOCIEDAD QUIMICA 144A	9/15/06	7.700	10,000,000	9,205,000
TRANS-CANADA PL	1/21/09	6.490	8,000,000	7,691,200
TOTAL CORPORATE OBLIGATIONS				<u>\$ 1,429,839,791</u>

WASHINGTON STATE INVESTMENT BOARD
 Insurance Funds - Medical Aid Fund
 Schedule of Investments - Unaudited
 June 30, 1999

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OF SHARES</u>	<u>BOOK AND MARKET VALUE</u>
EQUITY INDEX FUNDS:				
BGI US EQUITY MKT			72,691,942	813,084,831
STATE STREET MSCI EAFE INDEX			942,749	124,372,045
TOTAL EQUITY INDEX FUNDS				<u>\$ 937,456,876</u>
TOTAL MARKET VALUE OF INVESTMENTS				<u>\$ 3,311,377,199</u>

WASHINGTON STATE INVESTMENT BOARD
Insurance Funds - Accident Reserve Fund
Schedule of Investments - Unaudited
June 30, 1999

DESCRIPTION	MATURITY DATE	COUPON RATE	PAR VALUE OF SHARES	BOOK AND MARKET VALUE
SHORT - TERM INVESTMENT FUND:				
PROVIDENT TEMPFUND B	N/A	N/A	21,543,662	\$ 21,543,662
US GOVERNMENT SECURITIES:				
TREASURIES				
U.S.A. TREASURY NOTE	11/15/12	10.380	3,800,000	4,847,356
U.S.A. TREASURY NOTE	5/15/16	7.250	4,600,000	5,068,602
U.S.A. TREASURY NOTE	11/15/16	7.500	28,380,000	32,038,466
U.S.A. TREASURY NOTE	5/15/17	8.750	8,000,000	10,111,280
U.S.A. TREASURY NOTE	8/15/17	8.880	15,000,000	19,188,300
U.S.A. TREASURY NOTE	2/15/20	8.500	6,000,000	7,535,640
U.S.A. TREASURY NOTE	7/15/06	7.000	8,000,000	8,491,280
US TREASURY BOND	2/15/27	6.630	47,500,000	50,253,575
<i>TOTAL US TREASURIES</i>				<u>\$ 137,534,499</u>
AGENCIES				
FNMA	8/12/19	8.100	5,000,000	5,791,400
RESOLUTION FDG CORP	10/15/19	8.130	53,700,000	63,785,397
RESOLUTION FDG CORP	1/15/30	8.630	10,000,000	12,903,100
STUDENT LOAN MARKETING ASSOC	12/2/13	8.410	4,700,000	5,463,750
STUDENT LOAN MARKETING ASSOC	12/1/14	8.410	5,200,000	6,080,724
STUDENT LOAN MARKETING ASSOC	12/1/15	8.410	5,600,000	6,551,104
TENNESSEE VALLEY AUTHORITY	9/15/34	8.250	5,000,000	5,030,050
<i>TOTAL US AGENCIES</i>				<u>\$ 105,605,525</u>
TOTAL US GOVERNMENT SECURITIES				<u>\$ 243,140,024</u>
MORTGAGE/MORTGAGE BACKED SECURITIES:				
PASS THROUGH MORTGAGES				
FHLMC GIANT SWAP 30-4272	6/1/18	8.500	1,250,578	1,314,619
FHLMC GIANT SWAP 30-4278	7/1/18	9.000	504,777	533,059
FHLMC GIANT SWAP 30-4281	7/1/18	9.000	500,758	528,815
FHLMC GIANT WAM SWAP 30-6661	3/15/19	8.500	29,305	30,141
FHLMC GNOME 38-0021	5/1/03	9.000	138,825	142,097

WASHINGTON STATE INVESTMENT BOARD

Insurance Funds - Accident Reserve Fund

Schedule of Investments - Unaudited

June 30, 1999

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OF SHARES</u>	<u>BOOK AND MARKET VALUE</u>
FHLMC PC 16-0040	3/1/08	8.750	21,610	22,428
FHLMC PC 16-0043	4/1/08	8.750	4,417	4,584
FHLMC PC 17-0040	12/1/10	14.500	38,989	44,727
FHLMC PC 17-0149	12/1/15	11.000	140,348	152,155
FHLMC PC 17-0217	3/1/17	8.000	152,707	158,122
FHLMC SWAP 28-8047	2/1/17	8.500	44,859	47,189
FHLMC SWAP 28-9338	3/1/17	8.500	19,944	20,980
FHLMC SWAP 28-9414	3/1/17	8.500	97,438	102,500
FHLMC SWAP 28-9442	3/1/17	8.500	91,244	95,916
FHLMC SWAP 29-1274	4/1/17	8.000	251,470	260,531
FHLMC SWAP 29-2320	3/1/17	8.500	8,521	8,963
FHLMC SWAP 29-3812	5/1/17	8.500	13,749	14,463
FNMA CA 7423	5/1/14	11.250	6,179	6,783
FNMA CL 2463	9/1/15	11.000	35,863	39,107
FNMA CL 805 (WESTSIDE)	12/1/09	9.500	130,135	137,635
FNMA CL 806 (WESTSIDE)	7/1/08	9.000	78,657	82,438
GNMA II SF 120666	9/15/14	13.000	323,079	373,085
GNMA SF 2967	7/15/03	6.500	810	802
<i>TOTAL PASS THROUGH MORTGAGES</i>				<u>\$ 4,121,142</u>
OTHER MORTGAGES				
CHARTER MTG CO FHA PROJ PC	1/25/22	7.400	7,413,405	7,151,564
FHA PRJ-REILLY MTG GRP #55	3/1/24	7.430	2,287,313	2,236,374
TERRACE APTS	12/1/18	7.500	757,320	757,320
TOWER HILL APTS	8/1/18	7.500	964,393	964,393
WAKONDA MANOR	8/1/18	7.500	1,586,034	1,586,034
CENTURY II APTS	8/1/18	7.500	1,447,841	1,447,841
NATIONSBANC	10/25/09	10.500	387,338	400,667
<i>TOTAL OTHER MORTGAGES</i>				<u>\$ 14,544,192</u>
COLLATERALIZED MORTGAGE OBLIGATIONS				
COUNTRYWIDE FDG CORP 1993-9 A5	1/25/09	6.500	15,000,000	14,540,550
COUNTRYWIDE MTG 1993-E A8	1/25/24	6.500	1,713,420	1,694,144
CRIIMI MAE FIN CORP	1/1/33	7.000	3,182,360	3,079,825
DLJ CMC 1999-CG1 A-1B	1/10/09	6.460	10,000,000	9,649,219
FHLMC 1706 H	6/15/23	6.500	10,450,000	10,387,927
FHLMC 1727 Z	5/15/24	6.250	13,728,433	12,063,861

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<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OF SHARES</u>	<u>BOOK AND MARKET VALUE</u>
FILMC 1993 1639 M	12/15/08	6.000	5,000,000	4,801,550
FILMC 2139-B	3/15/29	6.500	10,000,000	9,365,625
FNMA 1994 19B	1/25/24	5.000	5,000,000	4,740,600
FNMA 1994 40 Y6	6/25/22	6.000	5,000,000	4,896,850
FNMA 1994 62 PH	11/25/23	6.900	4,000,000	4,025,000
GE CAP MTG 1994-6A10	3/25/24	6.500	4,510,000	4,184,423
GE CAP MTG SERV 1994-1 A8	1/25/24	6.500	3,000,000	2,873,430
GE CAPITAL MTG 1992-13F	12/25/07	7.000	5,403,000	5,399,596
PMAC 1999-C1 A2 CMBS	4/15/09	6.820	5,000,000	4,953,900
PRU HOME MTG 1993-51 A16	12/25/23	6.500	3,822,000	3,549,683
PRUHOME MTG 1993-44 A18	11/25/23	6.750	3,300,000	3,184,500
PRUHOME MTG 1993-62 A7	12/23/26	6.750	5,000,000	4,682,800
RESIDENTIAL FD MTG 94-S5 A8	2/25/24	6.500	4,535,888	4,375,680
RESIDENTIAL FDG MTG 96-S3 A5	1/25/26	7.250	9,654,443	9,527,680
<i>TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS</i>				<u>\$ 121,976,843</u>
TOTAL MORTGAGE/MORTGAGE BACKED				<u>\$ 140,642,176</u>
ASSET BACKED SECURITIES:				
DISCOVER CARD TR 1993-3 A ABS	11/15/03	6.200	3,000,000	2,964,360
GREEN TREE FIN CORP 97-1 A5	3/15/28	6.860	6,200,000	6,145,750
MID STATES TRUST IV	4/1/30	8.330	1,231,504	1,279,994
STD CR CARD 1995-9A ABS	10/7/07	6.550	4,000,000	3,985,000
TOTAL ASSET BACKED SECURITIES				<u>\$ 14,375,104</u>
CORPORATE OBLIGATIONS:				
AEGON NV	8/15/06	8.000	15,505,000	16,346,611
ALBERTSON'S INC. MTN	2/23/28	6.570	10,000,000	9,149,400
AMER SAVINGS BK	2/15/06	6.630	17,700,000	16,953,060
AMERICAN STORES	5/15/05	7.400	2,300,000	2,319,412
ANR PIPELINE	2/15/24	7.380	3,000,000	2,955,150
BOEING CO	8/15/21	8.750	10,000,000	11,613,700
BOSTON GAS CO MTN	6/1/11	8.950	10,000,000	11,443,200
BURLINGTON NORTHERN RR	10/1/06	9.250	13,000,000	14,402,570
CARGILL INC	10/1/25	7.380	4,000,000	3,944,400
CARGILL INC	2/1/36	6.880	5,000,000	4,706,500
CARGILL INC	9/1/06	7.500	15,000,000	15,023,100

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<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OF SHARES</u>	<u>BOOK AND MARKET VALUE</u>
CARNIVAL CRUISE	7/15/04	7.700	5,000,000	5,217,500
CARNIVAL CRUISE	10/1/23	7.200	2,500,000	2,416,625
CHASE NEW SUB NOTE	1/15/09	6.500	6,000,000	5,775,720
CHICAGO & NWESTN TRANS	7/30/12	6.250	1,323,702	1,236,801
CINCINNATI GAS & ELEC	10/1/23	7.200	5,000,000	4,556,350
CINCINNATI GAS & ELEC	6/1/25	6.900	2,000,000	2,011,340
COLONIAL PIPELINE, 144A	8/15/07	7.450	4,000,000	4,174,560
CONAGRA	9/15/04	7.400	5,000,000	5,154,350
CROWN CORK + SEAL INC	12/15/26	7.380	12,400,000	10,823,464
CS FIRST BOSTON	5/15/06	7.750	10,000,000	10,181,300
DEER PARK REFINING LP 144A	12/15/08	6.470	2,499,090	2,505,463
DEERE & CO	10/1/28	6.550	10,000,000	8,863,900
DEN DANSKE BANK	6/15/10	7.400	10,000,000	10,151,800
DUKE CAPITAL CORP	7/15/18	6.750	10,000,000	9,731,700
EASTMAN CHEMICAL	1/15/24	7.250	3,000,000	2,827,170
ENRON CORP	7/15/28	6.950	10,000,000	9,126,700
FEDERATED DEPARTMENT STORES	2/15/28	7.000	10,000,000	9,271,100
FERRO CORP	6/15/25	8.000	3,000,000	3,027,180
FIRST UNION CORP	7/15/05	6.630	13,150,000	13,094,507
FLORIDA GAS TRANSMISSION	11/1/24	9.190	2,000,000	2,260,520
FORD MOTOR CO	11/15/22	8.880	5,000,000	5,261,950
GEORGIA-PACIFIC	3/15/22	9.630	4,000,000	4,232,600
GEORGIA-PACIFIC	6/15/23	8.130	2,000,000	1,957,600
GRAND METROPOLITAN	1/6/04		2,500,000	1,874,750
GTE CORP	11/1/21	8.750	10,000,000	11,475,200
GTE CORP	5/1/23	7.830	5,000,000	5,019,500
HSBC AMERICAS INC	11/1/06	7.000	5,000,000	4,946,000
ICI WILMINGTON	9/15/04	6.950	10,000,000	10,048,200
INTER AMERN DEV BK	3/15/11	8.500	10,000,000	11,468,750
KANSAS GAS & ELEC	9/29/16	8.290	7,000,000	7,001,260
LEGRAND	2/15/25	8.500	10,000,000	11,087,800
LORAL CORP	2/1/22	9.130	3,500,000	3,962,490
MCDONALD'S CORP	11/15/25	7.050	5,000,000	4,931,900
MCI COMMUNICATIONS CORP	3/23/25	7.750	3,500,000	3,410,435
MONSANTO COMPANY 144A	12/1/28	6.600	15,000,000	13,509,000
MORGAN STANLEY & CO INC	5/15/03	7.030	5,000,000	4,975,000
NCNB CORP	9/15/09	9.380	3,525,000	4,055,900
NORCEN ENRGY RESOURCES	7/2/02	6.800	10,000,000	9,856,700
NORFOLK SOUTHERN	3/1/21	9.000	15,000,000	17,473,050

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<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OF SHARES</u>	<u>BOOK AND MARKET VALUE</u>
NORTHERN TELECOM	6/15/26	7.880	10,000,000	10,044,800
NORTHWESTERN PIPELINE	12/1/25	7.130	3,000,000	2,763,840
OCCIDENTAL PETE	4/1/28	7.200	15,000,000	13,622,850
PACIFIC TELECOM INC MTN	10/20/05	6.630	5,000,000	4,944,500
PACIFICORP	7/15/04	6.750	10,000,000	10,081,600
PANHANDLE EASTERN PIPELINE	3/15/23	7.950	3,000,000	3,058,500
PHILLIPS PETROLEUM	1/1/23	8.490	5,500,000	5,943,795
PHILLIPS PETROLEUM	4/15/23	7.920	3,000,000	3,163,170
PLACER DOME INC	6/15/15	7.750	2,000,000	1,762,900
POHANG IRON & STEEL	5/15/05	7.380	6,000,000	5,786,760
POHANG IRON & STEEL	7/15/04	7.130	10,000,000	9,585,400
PUGET POWER AND LIGHT MTN	2/1/24	7.350	3,000,000	2,973,480
RFCO STRIPS	1/15/19		80,000,000	22,516,000
SAGA PETROLEUM A.S.	7/15/14	9.130	6,450,000	7,339,133
SECURITY CAPITAL GROUP 144A	6/15/28	7.700	15,000,000	12,829,500
SOUTHERN NEW ENGLAND TEL CO	12/1/01	4.380	140,000	134,414
SOUTHERN UNION GAS	2/1/24	7.600	5,100,000	4,495,905
SOUTHWESTERN BELL TELE	10/15/26	7.200	5,000,000	4,740,100
SOUTHWESTERN PUBLIC SERV	2/15/25	8.500	1,500,000	1,635,870
SPIEKER PROPERTIES	7/1/09	7.130	10,000,000	9,581,700
SPRINT CAPITAL CORP	11/15/28	6.880	20,000,000	18,132,400
SPRINT CORP	4/15/22	9.250	8,100,000	9,605,790
ST GEORGE BANK LTD	6/18/07	7.150	5,000,000	4,868,650
ST GEORGE BANK LTD	10/15/05	7.150	7,500,000	7,392,825
SWIFT BANK CORP - NY	6/15/17	7.380	5,000,000	4,987,500
TIME WARNER INC	1/15/28	6.950	10,000,000	9,267,700
TRANSOCEAN OFFSHORE INC	4/15/27	8.000	19,000,000	19,771,020
UNION OIL OF CA MTN	10/15/07	6.700	5,000,000	4,824,400
UNION PACIFIC CO	5/1/25	8.350	5,000,000	5,133,000
UNION PACIFIC RESOURCES	5/15/28	7.150	18,000,000	15,968,340
UNITED PARCEL SVC AMER INC	4/1/20	8.380	11,600,000	12,809,996
WEYERHAEUSER CO	1/15/25	8.500	15,000,000	16,900,950
WILLAMETTE INDUSTRIES INC	7/1/26	7.850	8,000,000	8,228,000
WORLDCOM INC	8/15/28	6.950	10,000,000	9,479,500
ABITIBI - CONSOLIDATED	4/1/28	7.500	15,000,000	13,558,800
ABN-AMRO BNK NV (CHICAGO)	5/31/05	7.250	5,000,000	5,103,800
ATHABASCA OIL SANDS	4/1/27	8.200	10,000,000	9,684,000
CANADIAN NAT'L RR	5/15/23	7.630	5,000,000	5,021,000
CERRO NEGRO FINANCE LTD	6/1/28	8.030	10,000,000	6,925,000

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Insurance Funds - Accident Reserve Fund
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<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OF SHARES</u>	<u>BOOK AND MARKET VALUE</u>
DUETSCHKE BANK FINANCIAL	4/25/09	7.500	10,000,000	10,256,600
ENERGY GROUP OVERSEAS BV	10/15/27	7.550	10,000,000	9,567,700
FSFC T A8	11/15/28	7.000	10,000,000	9,817,900
HYDER PLC	12/15/28	7.380	10,000,000	9,402,700
HYDRO-QUEBEC	1/15/27	8.250	20,000,000	22,070,600
HYDRO-QUEBEC	2/1/13	8.000	5,500,000	5,929,990
MANITOBA PROV CDA	12/1/18	9.630	13,000,000	16,501,940
NAT'L WESTMINISTER BANK	10/16/07	7.750	10,000,000	9,932,900
NORSK HYDRO A/S	1/15/29	7.150	15,000,000	13,910,550
NOVA ALBERTA CRP	4/1/23	7.880	4,450,000	4,551,104
ONTARIO HYDRO CDA	3/31/13	7.450	3,000,000	3,155,760
PDVSA FIN LTD	11/15/28	7.500	15,000,000	10,837,500
PETROLEOS MEXICANOS	9/15/27	9.500	10,000,000	8,500,000
PETROLEUM NASIONAL BERHAD	8/15/15	7.750	13,000,000	11,096,150
POTASH CORP SASKATCHEWAN CDA	6/15/07	7.130	10,000,000	9,907,000
QUEBEC PROVINCE	2/9/24	7.130	2,500,000	2,433,975
SASKATCHEWAN CDA	2/1/13	8.000	4,500,000	4,817,115
SASKATCHEWAN CDA	7/15/13	7.380	10,000,000	10,473,800
SVENSKA HANDELSBANKEN	3/7/07	7.130	10,000,000	9,357,400
TOTAL CORPORATE OBLIGATIONS				<u>\$ 875,000,810</u>
TOTAL MARKET VALUE OF INVESTMENTS				<u>\$ 1,294,701,776</u>

WASHINGTON STATE INVESTMENT BOARD
Insurance Funds - Supplemental Pension Fund
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<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OF SHARES</u>	<u>BOOK AND MARKET VALUE</u>
SHORT - TERM INVESTMENT FUND:				
PROVIDENT TEMPFUND B			13,235,143	\$ <u>13,235,143</u>
TREASURIES:				
U.S.A. TREASURY BOND	5/15/02	7.500	11,000,000	\$ <u>11,538,010</u>
COLLATERALIZED MORTGAGE OBLIGATIONS:				
COUNTRYWIDE MTG 1994-3 A7	3/25/24	6.750	1,435,525	1,429,682
COUNTRYWIDE MTG 93-2 A3	9/25/08	6.500	1,014,988	1,014,034
FHLMC 1993 1591 PN	6/15/19	5.950	2,010,000	1,998,061
FHLMC 1996 1843A	4/15/19	6.500	1,981,190	1,992,325
FNMA 1992 48 G	11/25/05	7.500	460,166	460,883
FNMA 1993 204 EC	10/23/25	5.950	896,725	892,241
FNMA 1993 44 PG	9/25/16	6.450	3,000,000	3,010,290
FNMA 1993 77G	11/19/25	6.500	3,213,000	3,221,033
FNMA 1993 84 Y9	6/25/18	6.450	2,192,300	2,192,980
FNR 1988-13 C	5/25/18	9.300	615,761	651,549
PRU HOME MTG 1994-14 A2	4/25/09	6.400	498,908	499,062
PRUHOME MTG 1993-22 A5	7/23/25	6.500	1,652,168	1,639,777
TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS				\$ <u>19,001,916</u>
ASSET BACKED SECURITIES:				
CHEMT 1995-3A	4/15/05	6.230	3,000,000	2,993,430
CROWN HM EQ 1996-1 A4 ABS	8/25/12	7.150	1,300,000	1,251,120
EMERGENT HM EQ TR 97-3 A4 ABS	10/20/12	6.920	3,000,000	3,012,900
GREENTREE FIN HM EQ 97D A4 ABS	9/15/28	6.540	2,995,955	2,996,884
STD CR CARD 1995-3A ABS	2/7/02	7.850	1,000,000	1,012,800
TOTAL ASSET BACKED SECURITIES				\$ <u>11,267,134</u>
CORPORATE OBLIGATIONS:				
ASSOCIATES CORP NORTH AME	9/30/01	7.880	2,500,000	2,585,875
AT & T CORP	3/15/04	5.630	3,000,000	2,902,890
BEAR STEARNS COS INC	2/15/01	5.750	3,000,000	2,969,790

WASHINGTON STATE INVESTMENT BOARD
Insurance Funds - Supplemental Pension Fund
Schedule of Investments - Unaudited
June 30, 1999

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OF SHARES</u>	<u>BOOK AND MARKET VALUE</u>
BELLSOUTH CORP	12/15/15	6.300	2,704,019	2,568,061
CIT GROUP HLDGS	2/15/04	5.500	3,000,000	2,863,020
CSW INVTS NT 144A	8/1/01	6.950	3,000,000	3,026,550
DEAN WITTER DISCOVER	8/15/00	6.750	2,000,000	2,015,000
EXPORT IMPORT BK KOREA	2/10/02	6.500	2,500,000	2,415,650
FORD MOTOR CREDIT	9/10/02	6.550	3,000,000	3,006,870
HELLER FINANCIAL	8/15/99	6.350	3,000,000	3,000,540
HELLER FINANCIAL INC	11/1/01	6.500	3,000,000	3,010,890
KERN RIVER FUNDING CORP	9/30/01	6.720	2,500,000	2,516,975
PACIFICORP HOLDINGS	4/1/01	6.750	2,500,000	2,522,750
PANHANDLE EASTERN PIPELINE	12/1/99	8.630	2,000,000	2,023,760
PDVSA FIN LTD	2/15/04	6.450	3,000,000	2,745,000
RITE AID CORP 144A	10/1/03	6.000	2,500,000	2,394,500
ROHM & HAAS CO 144A	7/15/04	6.950	3,000,000	3,029,400
ROYAL CARIBBEAN	9/18/02	7.130	2,500,000	2,512,225
SOLOMON SMITH BARNEY HLD	5/15/03	6.250	3,000,000	2,962,260
SPRINT CAPITAL CORP	11/15/03	5.700	3,000,000	2,875,110
WESTERN RESOURCES INC	8/15/03	6.250	3,000,000	2,944,860
TOTAL CORPORATE OBLIGATIONS				<u>\$ 56,891,976</u>
TOTAL MARKET VALUE OF INVESTMENTS				<u>\$ 111,934,179</u>

PERMANENT FUNDS

- Notes to Financial Statements
- Statement of Investments
- Statement of Changes in Investments
- Schedule of Investments

Washington State Investment Board Permanent Funds

Notes to Financial Statements
June 30, 1999

Note 1: Significant Accounting Policies

Investments are reported at fair market value, with the exception of short-term investments, which are reported at cost. Purchases and sales of investments are recorded on a trade date basis in accordance with generally accepted accounting principles.

Permanent fund revenues and expenditures are accounted for using the full accrual basis of accounting. Accordingly, revenues are recorded when earned and expenditures are recorded when incurred.

Capital gains and losses from the sale of investments are considered corpus. Accordingly, capital gains are reinvested as part of the principal of the portfolio. However, capital losses are deferred and amortized against future income distributions to beneficiary funds. This process is necessary to meet legal requirements that preclude capital losses from eroding the corpus of the invested funds. In addition, the loss is allocated over the weighted average life of the portfolio in order to alleviate any adverse impact on the current programs supported by these distributions.

Interest earnings, amortization of premiums and discounts, and amortization of deferred capital losses are distributed to beneficiary funds on a monthly basis.

The WSIB reports collateral received under securities lending agreements where the state has the ability to spend, pledge, or sell the collateral without borrower default. Liabilities resulting from these transactions are also reported. Additionally, costs associated with securities lending transactions are reported as investment management expenses in the accompanying statements. The Schedule of Investments and Statement of Investments do not include detailed holdings of securities lending collateral by investment classification.

WASHINGTON STATE INVESTMENT BOARD
 PERMANENT FUNDS
 Statement of Investments (Unaudited)
 June 30, 1999

	AGRICULTURAL	MILLERSYLVANIA PARK TRUST	NORMAL SCHOOL	COMMON SCHOOL	SCIENTIFIC	STATE UNIVERSITY	TOTAL	PERCENT OF TOTAL
Short Term (Cash)	\$ 8,894,502	\$ 5,151	\$ 10,121,468	\$ 7,160,103	\$ 8,331,364	\$ 802,141	\$ 35,314,729	5.9%
US Government Securities	9,635,101		19,781,103	18,629,238	14,692,437	2,548,627	65,286,506	10.8%
Mortgages and Mortgage Backed Securities	36,696,532		56,582,281	50,802,444	44,995,163	7,221,673	196,298,113	32.6%
Asset Backed Securities	3,980,107		5,647,320	5,004,040	3,509,835	598,406	18,739,708	3.1%
Corporate Obligations	55,500,197		85,934,672	73,014,479	63,077,886	9,792,412	287,319,646	47.7%
Total Investments	\$ 114,706,459	\$ 5,151	\$ 178,066,844	\$ 154,610,304	\$ 134,606,685	\$ 20,963,259	\$ 602,958,702	100.0%
Accrued Income Receivable	\$ 1,648,234	\$ 20	\$ 2,553,434	\$ 1,983,340	\$ 1,909,450	\$ 256,542	\$ 8,351,020	
Accrued Expenses & Distributions to Beneficiary Funds	(642,667)	(20)	(1,068,291)	(945,288)	(765,420)	(117,087)	(3,538,774)	
Receivable for Investments Sold	-	-	-	-	-	-	-	
Payable for Investments Purchased	-	-	-	-	-	(399,252)	(399,252)	
Collateral Held Under Securities Lending Agreements	2,716,355	-	4,283,977	9,332,227	5,459,911	381,230	22,173,700	
Obligations Under Securities Lending Agreements	(2,716,355)	-	(4,283,977)	(9,332,227)	(5,459,911)	(381,230)	(22,173,700)	
MARKET VALUE OF INVESTMENTS, JUNE 30, 1999	\$ 115,712,026	\$ 5,151	\$ 179,551,987	\$ 155,648,356	\$ 135,750,715	\$ 20,703,461	\$ 607,371,696	

See Notes to Financial Statements

WASHINGTON STATE INVESTMENT BOARD
 PERMANENT FUNDS
 Statement of Changes in Investment (Unaudited)
 Fiscal Year Ended June 30, 1999

	AGRICULTURAL	MILLERSYLVANIA PARK TRUST	NORMAL SCHOOL	COMMON SCHOOL	SCIENTIFIC	STATE UNIVERSITY	TOTAL
Market Value of Investments, June 30, 1998	\$ 96,160,575	\$ 5,147	\$ 183,078,295	\$ 159,117,875	\$ 132,825,066	\$ 19,868,113	\$ 591,055,071
Contributions	\$ 23,115,412	\$ -	\$ 3,228,843	\$ 1,921,014	\$ 7,533,182	\$ 1,586,255	\$ 37,684,706
INVESTMENT EARNINGS:							
Interest Earnings	\$ 6,998,897	\$ 262	\$ 12,349,685	\$ 11,134,552	\$ 9,164,667	\$ 1,372,610	\$ 41,020,673
Capital Gains (Note 1 and 2)	394,241		551,375	887,723	871,947	88,274	2,793,560
Capital Losses (Note 1 and 2)	(9,279)		(27,216)	(24,141)	(20,962)	(2,668)	(84,267)
Market Gains & Losses	(4,793,956)		(8,150,367)	(7,563,954)	(6,694,359)	(867,290)	(28,069,926)
Investment Expenses	(50,856)		(158,975)	(248,868)	(136,040)	(7,422)	(602,160)
WSIB Operating Costs	(9,839)	(1)	(18,732)	(16,281)	(13,590)	(2,033)	(60,476)
<i>Net Investment Earnings</i>	\$ 2,529,207	\$ 261	\$ 4,545,769	\$ 4,169,031	\$ 3,171,664	\$ 581,471	\$ 14,997,404
OTHER CHANGES IN FUND BALANCE:							
Distributions to Beneficiary Funds	\$ (6,093,168)	\$ (257)	\$ (11,300,920)	\$ (9,559,564)	\$ (8,079,197)	\$ (1,332,378)	\$ (36,365,485)
<i>Net Other Changes in Fund Balance</i>	\$ (6,093,168)	\$ (257)	\$ (11,300,920)	\$ (9,559,564)	\$ (8,079,197)	\$ (1,332,378)	\$ (36,365,485)
Market Value of Investments, June 30, 1999	\$ 115,712,026	\$ 5,151	\$ 179,551,987	\$ 155,648,356	\$ 135,750,715	\$ 20,703,461	\$ 607,371,696

Note (1): Current year net capital losses are deferred and amortized against future income distributions paid to beneficiaries pursuant to state accounting policies.
 Note (2): Current year net capital gains are reinvested as corpus pursuant to state accounting policies.

See Notes to Financial Statements.

WASHINGTON STATE INVESTMENT BOARD

Agricultural Permanent Fund

Schedule of Investments - Unaudited

June 30, 1999

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OF SHARES</u>	<u>BOOK AND MARKET VALUE</u>
SHORT - TERM INVESTMENT FUND:				
PROVIDENT TEMPFUND B	N/A	N/A	8,894,502	\$ 8,894,502
US GOVERNMENT SECURITIES:				
TREASURIES				
U.S.A. TREASURY BOND	8/15/19	8.130	900,000	1,089,000
U.S.A. TREASURY NOTE	8/15/03	11.130	500,000	596,250
U.S.A. TREASURY NOTE	11/15/03	11.880	125,000	153,614
U.S.A. TREASURY NOTE	8/15/05	10.750	1,010,000	1,256,662
U.S.A. TREASURY NOTE	5/15/16	7.250	1,235,000	1,360,809
U.S.A. TREASURY NOTE	11/15/16	7.500	5,000	5,645
U.S.A. TREASURY NOTE	8/15/05	6.500	1,000,000	1,033,120
<i>TOTAL US TREASURIES</i>				\$ 5,495,100
AGENCIES				
FHLB/GLOBAL SR NT	9/2/08	5.800	800,000	764,376
FHLMC	8/5/09	8.000	1,000,000	998,120
FHLMC	4/15/08	5.750	383,000	365,945
FNMA MTN	10/28/02	6.210	2,000,000	2,011,560
<i>TOTAL US AGENCIES</i>				\$ 4,140,001
<i>TOTAL US GOVERNMENT SECURITIES</i>				\$ 9,635,101
MORTGAGE/MORTGAGE BACKED SECURITIES:				
PASS THROUGH AND OTHER MORTGAGES				
FHLMC PC 16-0079	5/1/09	10.250	32,462	34,338
FHLMC PC 17-0141	9/1/15	11.000	23,898	25,735
FHLMC PC 17-0147	11/1/15	11.000	6,528	7,088
FHLMC PC 17-0186	8/1/16	9.500	18,644	19,800
FHLMC PC 17-0217	3/1/17	8.000	34,547	35,772
FHLMC PC 17-0222	5/1/17	8.500	9,389	9,862
FHLMC SWAP 28-9650	3/1/17	8.500	38,820	40,645
FHLMC SWAP 29-0303	4/1/17	8.500	2,479	2,606
FNMA PL 307056	8/1/25	7.500	1,380,035	1,396,844

WASHINGTON STATE INVESTMENT BOARD
Agricultural Permanent Fund
Schedule of Investments - Unaudited
June 30, 1999

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OF SHARES</u>	<u>BOOK AND MARKET VALUE</u>
GNMA GP 90132	5/15/09	9.000	58,284	61,481
BEVERLY FINANCE CORP 144A	7/15/04	8.360	500,000	519,680
<i>TOTAL PASS THROUGH AND OTHER MORTGAGES</i>				<u>\$ 2,153,851</u>
<i>COLLATERALIZED MORTGAGE OBLIGATIONS</i>				
AMAC 1999-4 1A4	6/25/99	6.500	2,500,000	2,364,844
COM MTG ACEPT CORP 1998-C2 A3	9/15/30	6.040	1,300,000	1,226,266
DLJ CMC 1998-CF2 A1B	10/12/08	6.240	2,500,000	2,379,492
DLJCM 1999-CG2 A1B	6/10/09	7.300	2,500,000	2,565,137
FHG 30 H	7/25/23	7.500	2,000,000	2,031,860
FHLM FC 1055-H	3/15/21	7.000	1,083,940	1,082,921
FHLMC 1992 1423 C	9/15/04	6.600	184,182	183,779
FHLMC 1992 1452 PL	12/15/07	6.500	2,000,000	1,971,240
FHLMC 1998 2052 PL	4/15/13	6.000	2,000,000	1,876,860
FHLMC G 003 C	1/25/18	6.600	473,473	472,436
FNMA 1993 06 Y5	12/25/04	6.750	775,144	773,447
FNMA 1993 207 Y4	12/25/17	5.500	1,977,546	1,969,497
FNMA 1993 223 PH	10/25/22	6.050	1,500,000	1,477,020
FNMA 1994 62 PH	11/25/23	6.900	1,000,000	1,006,250
FNMA 1999-16 VB	12/25/18	6.500	2,600,000	2,470,000
GE CAP MTG 1994-10A15	3/25/24	6.500	449,060	447,794
GECMS 1993-17 A11	12/25/23	6.500	2,500,000	2,402,325
HEADLANDS 1997-3 A15 CMO	7/25/27	7.750	600,000	601,500
NSCOR 1998-33 A5	1/25/29	6.250	2,000,000	1,834,200
FRU HOME 93-51 A14	12/25/23	6.750	1,500,000	1,452,645
RESIDENT FD MG 93-S12A11	12/25/08	7.500	1,104,037	1,106,443
RESIDENTIA FD MTG 1994-S10 A4	3/25/09	6.500	1,900,000	1,885,142
S B M VII 1994-15 A5	6/25/09	6.500	1,000,000	961,604
<i>TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS</i>				<u>\$ 34,542,701</u>
<i>TOTAL MORTGAGE/MORTGAGE BACKED</i>				<u>\$ 36,696,552</u>
<i>ASSET BACKED SECURITIES:</i>				
CITIBK CR CARD TR I 98-2 A	1/15/10	6.050	2,075,000	1,974,487
DISCOVER CARD TR 1993-B A ABS	2/16/02	6.750	2,000,000	2,005,620
<i>TOTAL ASSET BACKED SECURITIES</i>				<u>\$ 3,980,107</u>

WASHINGTON STATE INVESTMENT BOARD

Agricultural Permanent Fund

Schedule of Investments - Unaudited

June 30, 1999

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OF SHARES</u>	<u>BOOK AND MARKET VALUE</u>
CORPORATE OBLIGATIONS:				
AMERICAN GEN FIN CORP	7/1/00	5.880	2,000,000	1,996,400
ANR PIPELINE	11/1/21	9.630	1,000,000	1,221,050
ANZ BANKING GROUP	2/1/04	6.250	1,000,000	973,340
ASSOCIATES CORP NORTH AMER	6/15/01	6.000	550,000	547,168
BANK OF NEW YORK	12/15/04	8.500	1,000,000	1,083,860
CARTER HOLT HARVEY LTD	12/1/04	8.880	1,000,000	1,049,840
CASE CREDIT CORP MTN	3/1/02	6.150	2,000,000	1,971,820
CHESAPEAKE & POTOMAC TEL MD	1/1/02	4.380	100,000	95,473
CIT GROUP HLDGS	2/15/04	5.500	2,000,000	1,908,680
CROWN CORK + SEAL INC	12/15/26	7.380	2,000,000	1,745,720
EASTMAN CHEMICAL	1/15/24	7.250	1,000,000	942,390
ENRON CORP	8/1/09	6.750	2,000,000	1,932,940
FORD MOTOR CREDIT CORP	2/15/02	8.200	500,000	521,545
GOLDMAN SACHS	7/15/02	6.600	1,850,000	1,849,649
GTE HAWAII	2/1/06	7.000	1,250,000	1,237,350
KN ENERGY INC	3/1/08	6.800	2,000,000	1,881,580
LORAL CORP	6/15/04	7.630	1,000,000	1,030,750
MBNA CORP MTN	9/15/00	6.500	1,000,000	1,002,570
MCI COMMUNICATIONS CORP	3/23/25	7.750	1,000,000	974,410
NEW ENGLAND TEL & TELEG CO	10/1/06	6.130	505,000	481,417
NEW JERSEY BELL TEL CO	12/1/06	5.880	600,000	566,772
NORTHWESTERN BELL TEL CO	9/1/01	6.000	350,000	350,144
OCCIDENTAL PETROLEUM	11/15/08	7.380	1,000,000	983,300
PANHANDLE EASTERN PIPELINE	8/15/04	7.880	1,000,000	1,057,700
PHILLIPS PETROLEUM	2/15/11	9.380	1,250,000	1,477,275
PLACER DOME INC	6/15/15	7.750	500,000	440,725
PNC FUNDING CORP	6/1/04	7.750	1,000,000	1,042,060
PROGRESSIVE CORP	1/15/04	6.600	1,000,000	995,290
ROYAL CARIBBEAN CRUISES	4/1/05	8.250	1,000,000	1,045,750
SAFECO CAPITAL TRUST I	7/15/37	8.070	1,300,000	1,233,193
SOCIETY CORP	6/15/02	8.130	850,000	890,894
SOUTHERN UNION GAS	2/1/24	7.600	1,250,000	1,101,938
ST GEORGE BANK LTD	6/18/07	7.150	2,200,000	2,142,206
SWIFT BANK CORP - NY	6/15/17	7.380	1,750,000	1,745,625
TIME WARNER ENTERTAINMENT	9/1/08	7.250	1,000,000	999,900
TRANSOCEAN OFFSHORE INC	4/15/27	8.000	1,000,000	1,040,580
UNION PACIFIC CO	5/1/05	7.600	1,000,000	1,031,820

WASHINGTON STATE INVESTMENT BOARD
Agricultural Permanent Fund
Schedule of Investments - Unaudited
June 30, 1999

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OF SHARES</u>	<u>BOOK AND MARKET VALUE</u>
UNION PACIFIC CORP	2/1/06	6.400	1,500,000	1,449,045
WASTE MANAGEMENT	3/15/11	7.650	1,000,000	1,023,140
DUETSCHER BANK FINANCIAL	4/25/09	7.500	2,000,000	2,051,320
FLETCHER CHALLENGE CAP CAN	6/20/16	8.250	1,700,000	1,703,111
MERITA BANK	4/1/09	6.500	2,000,000	1,894,880
POTASH CORP SASKATCHEWAN CDA	6/15/07	7.130	800,000	792,560
SASKATCHEWAN CDA	7/15/13	7.380	2,000,000	2,094,760
SKANDINAVISKA ENSKILDA 144A	3/29/49	7.500	2,000,000	1,898,260
TOTAL CORPORATE OBLIGATIONS				<u>\$ 55,500,197</u>
TOTAL MARKET VALUE OF INVESTMENTS				<u>\$ 114,706,459</u>

WASHINGTON STATE INVESTMENT BOARD

Millersylvania Park Trust Fund

Schedule of Investments - Unaudited

June 30, 1999

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OF SHARES</u>	<u>BOOK AND MARKET VALUE</u>
SHORT - TERM INVESTMENT FUND: PROVIDENT TEMPFUND B	N/A	N/A	5,151	\$ 5,151
TOTAL MARKET VALUE OF INVESTMENTS				<u>\$ 5,151</u>

WASHINGTON STATE INVESTMENT BOARD

Normal School Permanent Fund

Schedule of Investments - Unaudited

June 30, 1999

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>FAR VALUE OF SHARES</u>	<u>BOOK AND MARKET VALUE</u>
SHORT - TERM INVESTMENT FUND:				
PROVIDENT TEMPFUND B	N/A	N/A	10,121,468	\$ 10,121,468
US GOVERNMENT SECURITIES:				
TREASURIES				
U.S.A. TREASURY BOND	8/15/19	8.130	900,000	1,089,000
U.S.A. TREASURY BOND	11/15/21	8.000	3,750,000	4,528,125
U.S.A. TREASURY NOTE	2/15/03	10.750	835,000	968,859
U.S.A. TREASURY NOTE	5/15/03	10.750	300,000	351,048
U.S.A. TREASURY NOTE	11/15/03	11.880	1,000,000	1,228,910
U.S.A. TREASURY NOTE	5/15/16	7.250	1,425,000	1,570,165
U.S.A. TREASURY NOTE	11/15/16	7.500	480,000	541,877
U.S.A. TREASURY NOTE	3/31/00	6.880	4,000,000	4,048,120
<i>TOTAL US TREASURIES</i>				\$ 14,326,103
AGENCIES				
FHLB/GLOBAL SR NT	9/2/08	5.800	1,300,000	1,242,111
FHLMC	8/5/09	8.000	1,655,000	1,651,889
FHLMC MTN	2/27/06	6.130	2,600,000	2,561,000
<i>TOTAL US AGENCIES</i>				\$ 5,455,000
<i>TOTAL US GOVERNMENT SECURITIES</i>				\$ 19,781,103
MORTGAGE/MORTGAGE BACKED SECURITIES:				
PASS THROUGH AND OTHER MORTGAGES				
FHLMC PC 16-0079	5/1/09	10.250	64,924	68,677
FHLMC PC 17-0029	5/1/10	12.000	13,295	14,557
FHLMC PC 17-0147	11/1/15	11.000	6,528	7,088
FHLMC PC 17-0217	3/1/17	8.000	68,645	71,079
FHLMC SWAP 29-1802	4/1/17	8.500	37,054	38,921
FHLMC SWAP 29-9021	8/1/17	8.500	92,146	96,341
FHLMC SWAP 30-3750	4/1/18	8.500	94,457	99,425
FNMA PL 307056	8/1/25	7.500	3,588,091	3,631,794
GNMA SF 27559	8/15/09	9.500	133,515	143,074

WASHINGTON STATE INVESTMENT BOARD

Normal School Permanent Fund

Schedule of Investments - Unaudited

June 30, 1999

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OF SHARES</u>	<u>BOOK AND MARKET VALUE</u>
GNMA SF 27772	11/15/09	9.500	160,512	172,553
GNMA SF 29026	7/15/09	9.500	60,285	64,601
GNMA SF 30363	9/15/09	9.500	43,314	46,415
GNMA SF 30644	6/15/09	9.500	101,509	108,776
BEVERLY FINANCE CORP 144A	7/15/04	8.360	2,000,000	2,078,720
CASA DE WOODS	1/1/14	7.000	337,798	251,119
FULTON WOODS APTS	2/1/18	7.500	1,253,546	1,246,375
HYDE PARK APTS	4/1/19	7.500	1,353,784	1,353,784
<i>TOTAL PASS THROUGH AND OTHER</i>				<u>\$ 9,493,297</u>
COLLATERALIZED MORTGAGE OBLIGATIONS				
AMAC 1999-4 1A4	6/25/99	6.500	4,160,357	3,935,438
COM MTG ACEPT CORP 1998-C2 A3	9/15/30	6.040	4,000,000	3,773,125
DLJ CMC 1998-CF2 A1B	10/12/08	6.240	4,600,000	4,378,266
FHLMC 1992 1423 C	9/15/04	6.600	429,758	428,817
FHLMC 1994 1429 G	11/15/07	7.000	1,466,667	1,484,531
FHLMC 1998 2046 G	4/15/28	6.500	3,400,000	3,146,054
FHLMC G 003 C	1/25/18	6.600	757,557	755,898
FHLMC-GNMA93-12 E	3/25/08	6.000	5,500,000	5,479,375
FNMA 1993 06 Y5	12/25/04	6.750	1,332,280	1,329,362
FNMA 1993 207 Y4	12/25/17	5.500	4,119,887	4,103,119
FNMA 1993 223 PH	10/25/22	6.050	1,500,000	1,477,020
FNMA 1999-16 VB	12/25/18	6.500	5,500,000	5,225,000
GE CAP MTG 1994-10A15	3/25/24	6.500	141,454	141,055
NSCOR 1998-33 A5	1/25/29	6.250	3,700,000	3,393,270
PRU HOME 93-51 A14	12/25/23	6.750	3,500,000	3,389,505
RESIDENT FD MG 93-S12A11	12/25/08	7.500	2,576,086	2,581,701
S B M VII 1994-15 A5	6/25/09	6.500	2,150,000	2,067,449
<i>TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS</i>				<u>\$ 47,088,984</u>
TOTAL MORTGAGE/MORTGAGE BACKED				<u>\$ 56,582,281</u>
ASSET BACKED SECURITIES:				
CROWN HM EQ 1996-1 A4 ABS	8/25/12	7.150	1,700,000	1,636,080
DISCOVER CARD TR 1993-B A ABS	2/16/02	6.750	4,000,000	4,011,240
TOTAL ASSET BACKED SECURITIES				<u>\$ 5,647,320</u>

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<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OF SHARES</u>	<u>BOOK AND MARKET VALUE</u>
CORPORATE OBLIGATIONS:				
AMERICAN GEN FIN CORP	7/1/00	5.880	4,600,000	4,591,720
AMERICAN STORES	5/15/05	7.400	1,000,000	1,008,440
ANR PIPELINE	2/15/24	7.380	1,000,000	985,050
ANR PIPELINE	11/1/21	9.630	1,300,000	1,587,365
ANZ BANKING GROUP	2/1/04	6.250	2,000,000	1,946,680
ASSOCIATES CORP NORTH AME	6/15/00	6.000	2,075,000	2,076,038
BANK OF NEW YORK	12/15/04	8.500	1,000,000	1,083,860
CANADIAN NATIONAL RAILWAY CO	7/15/28	6.900	1,800,000	1,692,180
CARGILL INC MTN	6/18/27	7.410	2,200,000	2,260,390
CARTER HOLT HARVEY LTD	12/1/04	8.880	1,800,000	1,889,712
CASE CREDIT CORP MTN	3/1/02	6.150	3,700,000	3,647,867
CHASE MANHATTAN CORP	2/15/02	8.500	1,000,000	1,051,970
CHESAPEAKE & POTOMAC TEL MD	6/1/04	5.880	200,000	200,024
CHESAPEAKE & POTOMAC TEL MD	10/1/08	6.630	775,000	781,750
CHICAGO & NWESTN TRANS	7/30/12	6.250	882,468	824,534
CINCINNATI GAS & ELEC	2/15/04	6.450	1,000,000	989,900
CROWN CORK + SEAL INC	12/15/26	7.380	2,000,000	1,745,720
CSW INVTS	1/1/06	7.450	2,500,000	2,582,875
EASTMAN CHEMICAL	1/15/24	7.250	2,000,000	1,884,780
FERRO CORP	6/15/25	8.000	500,000	504,530
FIRST CHICAGO	6/15/02	8.250	1,000,000	1,048,690
FORD MOTOR CREDIT CORP	2/15/02	8.200	1,000,000	1,043,090
GTE HAWAII	2/1/06	7.000	2,500,000	2,474,700
LORAL CORP	6/15/04	7.630	2,000,000	2,061,500
MBNA CORP MTN	9/15/00	6.500	1,750,000	1,754,498
MCI COMMUNICATIONS CORP	3/23/25	7.750	2,500,000	2,436,025
NEW ENGLAND TEL & TELEG CO	10/1/06	6.130	700,000	667,310
NEW JERSEY BELL TEL CO	12/1/06	5.880	500,000	472,310
OCCIDENTAL PETROLEUM	11/15/08	7.380	1,000,000	983,300
PACIFIC TEL & TELEG CO	11/1/02	6.000	250,000	250,008
PANHANDLE EASTERN PIPELINE	8/15/04	7.880	1,500,000	1,586,550
PHILLIPS PETROLEUM	2/15/11	9.380	2,000,000	2,363,640
PLACER DOME INC	6/15/15	7.750	500,000	440,725
PNC FUNDING CORP	6/1/04	7.750	1,500,000	1,563,090
PROGRESSIVE CORP	1/15/04	6.600	2,500,000	2,488,225
ROYAL CARIBBEAN CRUISES	4/1/05	8.250	2,000,000	2,091,500
SAFECO CAPITAL TRUST I	7/15/37	8.070	2,000,000	1,897,220

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<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OF SHARES</u>	<u>BOOK AND MARKET VALUE</u>
SOUTHERN UNION GAS	2/1/24	7.600	1,500,000	1,322,325
ST GEORGE BANK LTD	6/18/07	7.150	4,300,000	4,187,039
SWIFT BANK CORP - NY	6/15/17	7.380	2,500,000	2,493,750
TIME WARNER ENTERTAINMENT	9/1/08	7.250	2,000,000	1,999,800
U S BANCORP	10/15/05	6.750	2,000,000	1,980,760
UNION PACIFIC CO	5/1/05	7.600	2,800,000	2,889,096
UNION PACIFIC CORP	2/1/06	6.400	750,000	724,523
UNION PACIFIC RESOURCES	5/15/28	7.150	1,000,000	887,130
WASTE MANAGEMENT	3/15/11	7.650	2,525,000	2,583,429
DUETSCHKE BANK FINANCIAL	4/25/09	7.500	3,000,000	3,076,980
ENERGY GROUP OVERSEAS BV	10/15/27	7.550	1,000,000	956,770
SASKATCHEWAN CDA	7/15/13	7.380	3,700,000	3,875,306
 TOTAL CORPORATE OBLIGATIONS				 <u>\$ 85,934,672</u>
 TOTAL MARKET VALUE OF INVESTMENTS				 <u>\$ 178,066,844</u>

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DESCRIPTION	MATURITY DATE	COUPON RATE	PAR VALUE OF SHARES	BOOK AND MARKET VALUE
SHORT - TERM INVESTMENT FUND:				
PROVIDENT TEMPFUND B	N/A	N/A	7,160,103	\$ <u>7,160,103</u>
US GOVERNMENT SECURITIES:				
TREASURIES				
U.S.A. TREASURY BOND	11/15/21	8.000	4,750,000	5,735,625
U.S.A. TREASURY NOTE	11/15/12	10.380	200,000	255,124
U.S.A. TREASURY NOTE	11/15/03	11.880	1,500,000	1,843,365
U.S.A. TREASURY NOTE	5/15/16	7.250	1,500,000	1,652,805
U.S.A. TREASURY NOTE	11/15/16	7.500	1,960,000	2,212,664
U.S.A. TREASURY NOTE	9/30/99	7.130	1,000,000	1,005,470
U.S.A. TREASURY NOTE	8/15/05	6.500	2,000,000	2,066,240
<i>TOTAL US TREASURIES</i>				<u>\$ 14,771,293</u>
AGENCIES				
FED FARM CREDIT MTN (FFCB)	10/7/09	6.450	2,450,000	2,424,741
FHLB/GLOBAL SR NT	9/2/08	5.800	1,500,000	1,433,205
<i>TOTAL US AGENCIES</i>				<u>\$ 3,857,946</u>
TOTAL US GOVERNMENT SECURITIES				<u>\$ 18,629,238</u>
MORTGAGE/MORTGAGE BACKED SECURITIES:				
PASS THROUGH AND OTHER MORTGAGES				
FHLMC PC 16-0040	3/1/08	8.750	95,083	98,684
FHLMC PC 16-0079	5/1/09	10.250	64,924	68,677
FHLMC PC 17-0003	3/1/06	8.000	11,282	11,472
FHLMC PC 17-0147	11/1/15	11.000	8,486	9,214
FNMA PL 307056	8/1/25	7.500	662,368	670,436
FNMA PL 311991	8/1/25	7.500	1,492,919	1,511,103
FNMA PL 311994	8/1/25	7.500	818,436	828,405
FNMA PL 330130	11/1/25	7.500	1,538,237	1,556,973
BEVERLY FINANCE CORP 144A	7/15/04	8.360	1,650,000	1,714,944
EXECUTIVE ESTATES	10/1/18	7.500	3,203,152	3,203,152
<i>TOTAL PASS THROUGH AND OTHER</i>				<u>\$ 9,673,060</u>

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<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OF SHARES</u>	<u>BOOK AND MARKET VALUE</u>
COLLATERALIZED MORTGAGE OBLIGATIONS				
AMAC 1999-4 1A4	6/25/99	6.500	3,400,000	3,216,188
COM MTG ACEPT CORP 1998-C2 A3	9/15/30	6.040	3,000,000	2,829,844
FHLMC 1992 1423 C	9/15/04	6.600	368,364	367,557
FHLMC 1994 1727 E	4/15/18	6.500	4,528,538	4,555,392
FHLMC G 003 C	1/25/18	6.600	757,557	755,898
FHLMC/GNMA 1993 24 H	9/25/22	6.000	3,000,000	2,922,180
FNMA 1993 207 Y4	12/25/17	5.500	2,636,728	2,625,996
FNMA 1993 223 PH	10/25/22	6.050	2,500,000	2,461,700
FNMA 1993-163 PK	10/25/21	6.250	3,000,000	2,951,250
FNMA 1994 62 PH	11/25/23	6.900	2,000,000	2,012,500
FNMA 1999-16 VB	12/25/18	6.500	4,500,000	4,275,000
FNMA REMIC 1991-100 CL M	8/25/21	7.000	1,141,153	1,137,581
GE CAP MTG 1994-10A15	3/25/24	6.500	561,325	559,742
HEADLANDS 1997-3 A15 CMO	7/25/27	7.750	1,400,000	1,403,500
NSCOR 1998-33 A5	1/25/29	6.250	3,000,000	2,751,300
PRU HOME 93-51 A14	12/25/23	6.750	3,000,000	2,905,290
RESIDENT FD MG 93-S12A11	12/25/08	7.500	1,472,049	1,475,258
S B M VII 1994-15 A5	6/25/09	6.500	2,000,000	1,923,208
TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS				\$ 41,129,384
TOTAL MORTGAGE/MORTGAGE BACKED				\$ 50,802,444
ASSET BACKED SECURITIES:				
GREEN TREE FIN CORP 97-1 A5	3/15/28	6.860	2,000,000	1,982,500
NAT'L BK CR CD TR 95-1A	4/15/03	6.450	3,000,000	3,021,540
TOTAL ASSET BACKED SECURITIES				\$ 5,004,040
CORPORATE OBLIGATIONS:				
AMERICAN GEN FIN CORP	7/1/00	5.880	2,850,000	2,844,870
AMERICAN STORES	5/15/05	7.400	1,000,000	1,008,440
ANR PIPELINE	11/1/21	9.630	1,500,000	1,831,575
ASSOCIATES CORP NORTH AMER	6/15/01	6.000	3,850,000	3,830,173
BANK OF NEW YORK	12/15/04	8.500	1,250,000	1,354,825
CARTER HOLT HARVEY LTD	12/1/04	8.880	1,000,000	1,049,840
CASE CORPORATION	10/21/07	6.750	2,000,000	1,909,640
CASE CREDIT CORP MTN	3/1/02	6.150	1,500,000	1,478,865

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DESCRIPTION	MATURITY DATE	COUPON RATE	PAR VALUE OF SHARES	BOOK AND MARKET VALUE
CHESAPEAKE & POTOMAC TEL MD	6/1/04	5.880	609,000	609,073
CHICAGO & NWESTN TRANS	7/30/12	6.250	882,468	824,534
CROWN CORK + SEAL INC	12/15/26	7.380	2,400,000	2,094,864
CSW INVTs	1/1/06	7.450	1,300,000	1,343,095
EASTMAN CHEMICAL	1/15/24	7.250	2,350,000	2,214,617
FERRO CORP	6/15/25	8.000	500,000	504,530
FIRST CHICAGO	6/15/02	8.250	2,500,000	2,621,725
FORD MOTOR CREDIT CORP	2/15/02	8.200	1,000,000	1,043,090
GOLDMAN SACHS	7/15/02	6.600	3,500,000	3,499,335
HOUSEHOLD FINANCE CORP	1/15/03	7.630	2,000,000	2,064,200
INDIANA BELL TEL INC	6/1/03	4.380	300,000	281,454
MBNA CORP MTN	9/15/00	6.500	1,000,000	1,002,570
MCI COMMUNICATIONS CORP	3/23/25	7.750	1,750,000	1,705,218
MOUNTAIN STS TEL & TELEG CO	6/1/05	5.500	1,190,000	1,192,178
NEW ENGLAND TEL & TELEG CO	10/1/06	6.130	525,000	500,483
NEW JERSEY BELL TEL CO	12/1/06	5.880	1,365,000	1,289,406
NORTHWESTERN BELL TEL CO	9/1/01	6.000	1,000,000	1,000,410
OCCIDENTAL PETROLEUM	11/15/08	7.380	4,600,000	4,523,180
PACIFIC TEL & TELEG CO	7/1/03	6.500	400,000	400,212
PANHANDLE EASTERN PIPELINE	8/15/04	7.880	1,500,000	1,586,550
PHILLIPS PETROLEUM	2/15/11	9.380	2,000,000	2,363,640
PLACER DOME INC	6/15/15	7.750	500,000	440,725
PNC FUNDING CORP	6/1/04	7.750	1,000,000	1,042,060
PROGRESSIVE CORP	1/15/04	6.600	2,250,000	2,239,403
RITE AID CORP	1/15/07	7.130	2,150,000	2,094,272
SAFECO CAPITAL TRUST I	7/15/37	8.070	1,100,000	1,043,471
SAGA PETROLEUM A.S.	7/15/14	9.130	1,000,000	1,137,850
SOUTHERN UNION GAS	2/1/24	7.600	1,000,000	881,550
ST GEORGE BANK LTD	6/18/07	7.150	3,700,000	3,602,801
SWIFT BANK CORP - NY	6/15/17	7.380	1,000,000	997,500
TIME WARNER ENTERTAINMENT	9/1/08	7.250	1,000,000	999,900
UNION PACIFIC CORP	2/1/06	6.400	1,000,000	966,030
UNION PACIFIC RESOURCES	5/15/28	7.150	4,750,000	4,213,868
WASTE MANAGEMENT	3/15/11	7.650	1,000,000	1,023,140
POTASH CORP SASKATCHEWAN CDA	6/15/07	7.130	700,000	693,490
SASKATCHEWAN CDA	7/15/13	7.380	3,500,000	3,665,830

TOTAL CORPORATE OBLIGATIONS \$ 73,014,479

TOTAL MARKET VALUE OF INVESTMENTS \$ 154,610,304

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<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OF SHARES</u>	<u>BOOK AND MARKET VALUE</u>
SHORT - TERM INVESTMENT FUND:				
PROVIDENT TEMPFUND B	N/A	N/A	8,331,364	\$ 8,331,364
US GOVERNMENT SECURITIES:				
TREASURIES				
U.S.A. TREASURY BOND	8/15/19	8.130	1,750,000	2,117,500
U.S.A. TREASURY NOTE	11/15/12	10.380	800,000	1,020,496
U.S.A. TREASURY NOTE	2/15/03	10.750	300,000	348,093
U.S.A. TREASURY NOTE	11/15/16	7.500	425,000	479,787
U.S.A. TREASURY NOTE	8/15/05	6.500	4,000,000	4,132,480
<i>TOTAL US TREASURIES</i>				\$ 8,098,356
AGENCIES				
FHLB/GLOBAL SR NT	9/2/08	5.800	1,500,000	1,433,205
FHLMC	10/6/04	6.240	2,900,000	2,891,851
FNMA MTN	8/7/01	6.690	2,230,000	2,269,025
<i>TOTAL US AGENCIES</i>				\$ 6,594,081
TOTAL US GOVERNMENT SECURITIES				
				\$ 14,692,437
MORTGAGE/MORTGAGE BACKED SECURITIES:				
PASS THROUGH AND OTHER MORTGAGES				
FHLMC PC 17-0141	9/1/15	11.000	41,821	45,036
FHLMC PC 17-0147	11/1/15	11.000	1,697	1,843
FHLMC PC 17-0217	3/1/17	8.000	64,819	67,117
FNMA PL 311991	8/1/25	7.500	212,703	215,294
FNMA PL 311994	8/1/25	7.500	439,937	445,296
FNMA PL 312210	7/1/25	7.500	728,133	737,001
FNMA PL 315470	7/1/25	7.500	1,032,638	1,045,216
FNMA PL 319490	8/1/25	7.500	266,968	270,219
BEVERLY FINANCE CORP 144A	7/15/04	8.360	750,000	779,520
BITTERROOT MANOR	1/1/19	7.500	1,027,326	1,025,272
SKY PARK APTS	2/1/18	7.500	960,695	958,774
<i>TOTAL PASS THROUGH AND OTHER</i>				\$ 5,590,589

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<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OF SHARES</u>	<u>BOOK AND MARKET VALUE</u>
COLLATERALIZED MORTGAGE OBLIGATIONS				
AMAC 1999-4 1A4	6/25/99	6.500	3,000,000	2,837,813
COM MTG ACCEPT CORP 1998-C2 A3	9/15/30	6.040	3,000,000	2,829,844
DIJ CMC 1998-CF2 A1B	10/12/08	6.240	3,400,000	3,236,109
FHG 30 H	7/25/23	7.500	2,500,000	2,539,825
FHLMC 1992 1423 C	9/15/04	6.600	245,576	245,038
FHLMC 1992 1452 PL	12/15/07	6.500	3,500,000	3,449,670
FHLMC G 003 C	1/25/18	6.600	757,557	755,898
FHLMC-GNMA93-12 E	3/25/08	6.000	2,475,000	2,465,719
FNMA 1993 06 Y5	12/25/04	6.750	968,931	966,809
FNMA 1993 207 Y4	12/25/17	5.500	1,647,955	1,641,248
FNMA 1993 223 PH	10/25/22	6.050	1,000,000	984,680
FNMA 1999-16 VB	12/25/18	6.500	2,800,000	2,660,000
GE CAP MTG 1994-10A15	3/25/24	6.500	280,663	279,871
GNMA 1998-11 VB	2/20/11	6.500	3,500,000	3,430,000
HEADLANDS 1997-3 A15 CMO	7/25/27	7.750	1,200,000	1,203,000
NSCOR 1998-33 A5	1/25/29	6.250	3,000,000	2,751,300
PRU HOME 93-51 A14	12/25/23	6.750	2,500,000	2,421,075
RESIDENT FD MG 93-S12A11	12/25/08	7.500	1,472,049	1,475,258
RESIDENTIA FD MTG 1994-S10 A4	3/25/09	6.500	2,530,000	2,510,215
S B M VII 1994-15 A5	6/25/09	6.500	750,000	721,203
<i>TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS</i>				<u>\$ 39,404,574</u>
TOTAL MORTGAGE/MORTGAGE BACKED				<u>\$ 44,995,163</u>
ASSET BACKED SECURITIES:				
DISCOVER CARD TR 1993-B A ABS	2/16/02	6.750	3,500,000	3,509,835
TOTAL ASSET BACKED SECURITIES				<u>\$ 3,509,835</u>
CORPORATE OBLIGATIONS:				
AMERICAN GEN FIN CORP	7/1/00	5.880	2,800,000	2,794,960
ANR PIPELINE	2/15/24	7.380	1,000,000	985,050
ANR PIPELINE	11/1/21	9.630	1,000,000	1,221,050
BANK OF NEW YORK	12/15/04	8.500	1,000,000	1,083,860
CARTER HOLT HARVEY LTD	12/1/04	8.880	1,000,000	1,049,840

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CASE CORPORATION	10/21/07	6.750	1,500,000	1,432,230
CASE CREDIT CORP MTN	3/1/02	6.150	2,800,000	2,760,548
CHESAPEAKE & POTOMAC TEL MD	10/1/08	6.630	500,000	504,355
CHICAGO & N WESTN TRANS	7/30/12	6.250	882,468	824,534
CINCINNATI GAS & ELEC	2/15/04	6.450	1,000,000	989,900
CROWN CORK + SEAL INC	12/15/26	7.380	3,200,000	2,793,152
CSW INVTS	1/1/06	7.450	1,200,000	1,239,780
EASTMAN CHEMICAL	1/15/24	7.250	1,500,000	1,413,585
FERRO CORP	6/15/25	8.000	1,000,000	1,009,060
FIRST CHICAGO	6/15/02	8.250	1,000,000	1,048,690
FORD MOTOR CREDIT CORP	2/15/02	8.200	400,000	417,236
GOLDMAN SACHS	7/15/02	6.600	2,300,000	2,299,563
GTE HAWAII	2/1/06	7.000	1,600,000	1,583,808
ILLINOIS BELL TEL CO	7/1/03	4.380	250,000	232,178
LORAL CORP	6/15/04	7.630	1,000,000	1,030,750
MBNA CORP MTN	9/15/00	6.500	1,000,000	1,002,570
MCI COMMUNICATIONS CORP	3/23/25	7.750	1,000,000	974,410
NEW ENGLAND TEL & TELEG CO	10/1/06	6.130	600,000	571,980
NEW JERSEY BELL TEL CO	12/1/06	5.880	1,100,000	1,039,082
NORTHWESTERN BELL TEL CO	9/1/01	6.000	70,000	70,029
PANHANDLE EASTERN PIPELINE	8/15/04	7.880	1,300,000	1,375,010
PHILLIPS PETROLEUM	2/15/11	9.380	2,000,000	2,363,640
PLACER DOME INC	6/15/15	7.750	1,250,000	1,101,813
PNC FUNDING CORP	6/1/04	7.750	1,000,000	1,042,060
PROGRESSIVE CORP	1/15/04	6.600	1,000,000	995,290
ROYAL CARIBBEAN CRUISES	4/1/05	8.250	1,000,000	1,045,750
SAFECO CAPITAL TRUST I	7/15/37	8.070	2,300,000	2,181,803
SAFEWAY INC	11/15/08	6.500	2,700,000	2,581,902
SAGA PETROLEUM A.S.	7/15/14	9.130	1,000,000	1,137,850
SOUTHERN UNION GAS	2/1/24	7.600	1,000,000	881,550
ST GEORGE BANK LTD	6/18/07	7.150	3,000,000	2,921,190
SWIFT BANK CORP - NY	6/15/17	7.380	2,000,000	1,995,000
TIME WARNER ENTERTAINMENT	9/1/08	7.250	900,000	899,910
U S BANCORP	10/15/05	6.750	1,500,000	1,485,570
UNION PACIFIC CO	5/1/05	7.600	2,000,000	2,063,640
UNION PACIFIC CORP	2/1/06	6.400	1,250,000	1,207,538
WASTE MANAGEMENT	3/15/11	7.650	1,500,000	1,534,710
WILLIAMS COMPANIES, INC	8/1/06	6.500	1,300,000	1,254,812

WASHINGTON STATE INVESTMENT BOARD

Scientific Permanent Fund

Schedule of Investments - Unaudited

June 30, 1999

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OF SHARES</u>	<u>BOOK AND MARKET VALUE</u>
ENERGY GROUP OVERSEAS BV	10/15/27	7.550	1,000,000	956,770
POTASH CORP SASKATCHEWAN CDA	6/15/07	7.130	1,600,000	1,585,120
SASKATCHEWAN CDA	7/15/13	7.380	2,000,000	2,094,760
TOTAL CORPORATE OBLIGATIONS				<u>\$ 63,077,886</u>
TOTAL MARKET VALUE OF INVESTMENTS				<u>\$ 134,606,685</u>

WASHINGTON STATE INVESTMENT BOARD

State University Permanent Fund

Schedule of Investments - Unaudited

June 30, 1999

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OF SHARES</u>	<u>BOOK AND MARKET VALUE</u>
SHORT - TERM INVESTMENT FUND:				
PROVIDENT TEMP FUND B	N/A	N/A	802,141	\$ 802,141
US GOVERNMENT SECURITIES:				
TREASURIES				
U.S.A. TREASURY NOTE	11/15/03	11.880	75,000	92,168
U.S.A. TREASURY NOTE	5/15/16	7.250	20,000	22,037
U.S.A. TREASURY NOTE	11/15/16	7.500	175,000	197,559
U.S.A. TREASURY NOTE	8/15/05	6.500	750,000	774,840
<i>TOTAL US GOVERNMENT TREASURIES</i>				<u>\$ 1,086,605</u>
AGENCIES				
FHLB	2/20/01	5.540	700,000	697,156
FHLB/GLOBAL SR NT	9/2/08	5.800	300,000	286,641
FNMA MTN	8/7/01	6.690	470,000	478,225
<i>TOTAL US AGENCIES</i>				<u>\$ 1,462,022</u>
TOTAL US GOVERNMENT SECURITIES				<u>\$ 2,548,627</u>
MORTGAGE/MORTGAGE BACKED SECURITIES:				
PASS THROUGH AND OTHER MORTGAGES				
FHLMC GIANT SWAP 30-4272	6/1/18	8.500	15,443	16,234
FNMA PL 315470	7/1/25	7.500	252,974	256,055
FNMA PL 330130	11/1/25	7.500	307,285	311,028
BEVERLY FINANCE CORP 144A	7/15/04	8.360	100,000	103,936
EAGLES MANOR	6/1/18	7.500	846,067	842,403
<i>TOTAL PASS THROUGH AND OTHER</i>				<u>\$ 1,529,656</u>
COLLATERALIZED MORTGAGE OBLIGATIONS				
AMAC 1999-4 1A4	6/25/99	6.500	400,000	378,375
COM MTG ACCEPT CORP 1998-C2 A3	9/15/30	6.040	300,000	282,984
FHG 30 H	7/25/23	7.500	300,000	304,779
FHLM FC GTD	5/25/22	7.000	300,000	299,625
FHLMC 1992 1423 C	9/15/04	6.600	15,533	15,499

WASHINGTON STATE INVESTMENT BOARD

State University Permanent Fund

Schedule of Investments - Unaudited

June 30, 1999

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OF SHARES</u>	<u>BOOK AND MARKET VALUE</u>
FHLMC 1993 1637 GA	6/15/23	5.800	252,181	244,300
FHLMC 1998 2052 PL	4/15/13	6.000	350,000	328,451
FHLMC 1999 2113 VB	11/15/15	6.000	421,000	382,847
FHLMC G 003 C	1/25/18	6.600	94,695	94,487
FNMA 1993 06 Y5	12/25/04	6.750	72,670	72,511
FNMA 1993 207 Y4	12/25/17	5.500	187,867	187,102
FNMA 1993 223 PH	10/25/22	6.050	281,000	276,695
FNMA 1993-163 PK	10/25/21	6.250	400,000	393,500
FNMA 1994 62 PH	11/25/23	6.900	254,000	255,588
FNMA 1998 47 PC	12/18/21	6.250	440,000	434,500
FNMA 1999-16 VB	12/25/18	6.500	100,000	95,000
GE CAP MTG 1994-10A15	3/25/24	6.500	56,133	55,974
HEADLANDS 1997-3 AI5 CMO	7/25/27	7.750	400,000	401,000
MSC 1999 FNV1 A2	3/15/32	6.530	400,000	389,813
NSCOR 1998-33 A5	1/25/29	6.250	300,000	275,130
FRU HOME 93-51 A14	12/25/23	6.750	250,000	242,108
S B M VII 1994-15 A5	6/25/09	6.500	293,000	281,750
<i>TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS</i>				<u>\$ 5,692,017</u>
TOTAL MORTGAGE/MORTGAGE BACKED				<u>\$ 7,221,673</u>
ASSET BACKED SECURITIES:				
CIT RV TRUST 97-A A7 ABS	8/15/13	6.400	300,000	301,031
GREEN TREE FIN CORP 97-1 A5	3/15/28	6.860	300,000	297,375
TOTAL ASSET BACKED SECURITIES				<u>\$ 598,406</u>
CORPORATE OBLIGATIONS:				
AMERICAN GEN FIN CORP	7/1/00	5.880	150,000	149,730
ANR PIPELINE	11/1/21	9.630	200,000	244,210
BANK OF NEW YORK	12/15/04	8.500	250,000	270,965
CARTER HOLT HARVEY LTD	12/1/04	8.880	200,000	209,968
CASE CREDIT CORP MTN	3/1/02	6.150	300,000	295,773
CHICAGO & NWESTN TRANS	7/30/12	6.250	264,743	247,363
DR INVESTMENTS 144A	5/15/02	7.100	300,000	302,730
EASTMAN CHEMICAL	1/15/24	7.250	150,000	141,359
FORD MOTOR CREDIT CORP	2/15/02	8.200	100,000	104,309
GENERAL ELEC CREDIT CORP	11/1/01	5.500	400,000	394,904
GOLDMAN SACHS	7/15/02	6.600	350,000	349,934

WASHINGTON STATE INVESTMENT BOARD

State University Permanent Fund

Schedule of Investments - Unaudited

June 30, 1999

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OF SHARES</u>	<u>BOOK AND MARKET VALUE</u>
GTE HAWAII	2/1/06	7.000	250,000	247,470
MBNA CORP MTN	9/15/00	6.500	250,000	250,643
MCI COMMUNICATIONS CORP	3/23/25	7.750	250,000	243,603
NORTHWESTERN BELL TEL CO	9/1/01	6.000	80,000	80,033
OCCIDENTAL PETROLEUM	11/15/08	7.380	400,000	393,320
PANHANDLE EASTERN PIPELINE	8/15/04	7.880	100,000	105,770
PHILLIPS PETROLEUM	2/15/11	9.380	250,000	295,455
PLACER DOME INC	6/15/15	7.750	250,000	220,363
PNC FUNDING CORP	6/1/04	7.750	250,000	260,515
PROGRESSIVE CORP	1/15/04	6.600	250,000	248,823
RITE-AID CORP 144A	12/15/08	6.130	200,000	181,620
ROHM & HAAS CO 144A	7/15/04	6.950	400,000	403,920
SAFECO CAPITAL TRUST I	7/15/37	8.070	200,000	189,722
SAFeway INC	11/15/08	6.500	300,000	286,878
SAGA PETROLEUM A.S.	7/15/14	9.130	180,000	204,813
SOCIETY CORP	6/15/02	8.130	150,000	157,217
SOUTHERN UNION GAS	2/1/24	7.600	150,000	132,233
ST GEORGE BANK LTD	6/18/07	7.150	400,000	389,492
SWIFT BANK CORP - NY	6/15/17	7.380	250,000	249,375
TIME WARNER ENTERTAINMENT	9/1/08	7.250	100,000	99,990
U S BANCORP	10/15/05	6.750	300,000	297,114
UNION PACIFIC CO	5/1/05	7.600	200,000	206,364
UNION PACIFIC CORP	2/1/06	6.400	200,000	193,206
UNION PACIFIC RESOURCES	5/15/28	7.150	250,000	221,783
WEYERHAEUSER CO	1/15/25	8.500	175,000	197,178
CROWN CORK + SEAL FIN SA	12/15/03	6.750	400,000	394,824
FLETCHER CHALLENGE CAF CAN	6/20/16	8.250	300,000	300,549
MONTREAL CITY OF	11/1/04	5.000	19,000	17,475
POTASH CORP SASKATCHEWAN CDA	6/15/07	7.130	300,000	297,210
SASKATCHEWAN CDA	7/15/13	7.380	300,000	314,214
TOTAL CORPORATE OBLIGATIONS				<u>\$ 9,792,412</u>
TOTAL MARKET VALUE OF INVESTMENTS				<u>\$ 20,963,259</u>

OTHER TRUST FUNDS

➤ Schedule of Investments

WASHINGTON STATE INVESTMENT BOARD

Other Funds

Schedule of Investments - Unaudited

June 30, 1999

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OF SHARES</u>	<u>BOOK AND MARKET VALUE</u>
ADVANCE COLLEGE TUITION FUND:				
SHORT - TERM INVESTMENT FUND PROVIDENT TEMPFUND B	N/A	N/A	16,689,672	\$ 16,689,672
US GOVERNMENT TREASURIES				
TREASURY INFLATION IX N/B	1/15/08	3.630	10,285,052	9,997,380
TREASURY INFLATION IX N/B	1/15/09	3.880	2,000,000	1,976,880
EQUITY INDEX FUND				
BGI US EQUITY MKT FUND B			381,732	4,269,654
TOTAL ADVANCE COLLEGE TUITION FUND				<u>\$ 32,933,585</u>
GAME AND SPECIAL WILDLIFE FUND:				
SHORT - TERM INVESTMENT FUND PROVIDENT TEMPFUND B	N/A	N/A	10,102,819	<u>\$ 10,102,819</u>
STATE EMPLOYEES INSURANCE RESERVE:				
SHORT - TERM INVESTMENT FUND PROVIDENT TEMPFUND B	N/A	N/A	30,484,871	<u>\$ 30,484,871</u>
RADIATION PERPETUAL MAINTENANCE FUND:				
SHORT - TERM INVESTMENT FUND PROVIDENT TEMPFUND B	N/A	N/A	784,670	<u>\$ 784,670</u>
RECLAMATION REVOLVING FUND:				
SHORT - TERM INVESTMENT FUND PROVIDENT TEMPFUND B	N/A	N/A	407,593	\$ 407,593

WASHINGTON STATE INVESTMENT BOARD

Other Funds

Schedule of Investments - Unaudited

June 30, 1999

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OF SHARES</u>	<u>BOOK AND MARKET VALUE</u>
MUNICIPAL BONDS				
CHELAN CO, CHELAN RIVER IRR	7/1/99	4.000	3,000	3,000
CHELAN CO, CHELAN RIVER IRR	7/1/00	4.000	1,000	1,001
CHELAN CO, ENTIAT IRR DISTR	1/1/07	5.000	9,000	8,933
CHELAN CO, ENTIAT IRR DISTRI	1/1/00	5.000	6,000	6,042
CHELAN CO, ENTIAT IRR DISTRI	1/1/01	5.000	6,000	6,021
CHELAN CO, ENTIAT IRR DISTRI	1/1/02	5.000	7,000	7,017
CHELAN CO, ENTIAT IRR DISTRI	1/1/03	5.000	7,000	7,011
CHELAN CO, ENTIAT IRR DISTRI	1/1/04	5.000	7,000	7,007
CHELAN CO, ENTIAT IRR DISTRI	1/1/05	5.000	8,000	8,004
CHELAN CO, ENTIAT IRR DISTRI	1/1/06	5.000	8,000	7,991
CHELAN CO, ENTIAT IRR DISTRI	1/1/08	5.000	9,000	8,871
CHELAN CO, ENTIAT IRR DISTRI	1/1/09	5.000	10,000	9,786
CHELAN CO, ENTIAT IRR DISTRI	1/1/10	5.000	10,000	9,714
CHELAN CO, ENTIAT IRR DISTRI	1/1/11	5.000	11,000	10,581
CHELAN CO, ENTIAT IRR DISTRI	1/1/12	5.000	11,000	10,517
CHELAN CO, ENTIAT IRR DISTRI	1/1/13	5.000	12,000	11,400
CHELAN CO, LOWER SQUILCHUCK	1/1/00	4.000	25,000	21,730
CHELAN CO, LOWER SQUILCHUCK	1/1/10	4.000	20,000	20,012
CHELAN CO, LOWER STEMILT IRR	1/1/03	6.250	8,000	8,603
CHELAN CO, LOWER STEMILT IRR	1/1/00	6.250	8,000	8,089
CHELAN CO, LOWER STEMILT IRR	1/1/01	6.250	8,000	8,065
CHELAN CO, LOWER STEMILT IRR	1/1/02	6.250	8,000	8,058
CHELAN CO, LOWER STEMILT IRR	1/1/04	6.250	9,000	9,055
CHELAN CO, LOWER STEMILT IRR	1/1/05	6.250	9,000	9,050
CHELAN CO, LOWER STEMILT IRR	1/1/06	6.250	9,000	9,046
CHELAN CO, LOWER STEMILT IRR	1/1/07	6.250	10,000	10,045
CHELAN CO, LOWER STEMILT IRR	1/1/08	6.250	10,000	10,041
CHELAN CO, LOWER STEMILT IRR	1/1/09	6.250	11,000	11,041
CHELAN CO, LOWER STEMILT IRR	1/1/10	6.250	11,000	11,035
CHELAN CO, LOWER STEMILT IRR	1/1/11	6.250	12,000	12,033
KLICKITAT CO, N DALLES IRR D	1/1/00	3.000	2,000	1,912
KLICKITAT CO, N DALLES IRR D	1/1/01	3.000	2,000	1,878
KLICKITAT CO, N DALLES IRR D	1/1/02	3.000	2,000	1,841
KLICKITAT CO, WHITE SALMON I	1/1/00	3.000	2,000	1,994
KLICKITAT CO, WHITE SALMON I	1/1/01	3.000	2,000	1,961
KLICKITAT CO, WHITE SALMON I	1/1/02	3.000	2,000	1,880
OKANOGAN CO, AENEAS LAKE IRR	1/1/00	5.000	5,500	5,506
OKANOGAN CO, AENEAS LAKE IRR	1/1/01	5.000	5,500	5,503
OKANOGAN CO, AENEAS LAKE IRR	1/1/02	5.000	12,000	12,004

WASHINGTON STATE INVESTMENT BOARD

Other Funds

Schedule of Investments - Unaudited

June 30, 1999

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OF SHARES</u>	<u>BOOK AND MARKET VALUE</u>
OKANOGAN CO, AENEAS LAKE IRR	1/1/03	5.000	12,000	12,002
OKANOGAN CO, AENEAS LAKE IRR	1/1/04	5.000	12,000	12,001
OKANOGAN CO, AENEAS LAKE IRR	1/1/05	5.000	12,000	12,000
OKANOGAN CO, AENEAS LAKE IRR	1/1/06	5.000	12,000	11,987
OKANOGAN CO, AENEAS LAKE IRR	1/1/07	5.000	12,000	11,911
OKANOGAN CO, AENEAS LAKE IRR	1/1/08	5.000	12,000	11,829
OKANOGAN CO, AENEAS LAKE IRR	1/1/09	5.000	12,000	11,743
OKANOGAN CO, AENEAS LAKE IRR	1/1/10	5.000	12,000	11,656
SPOKANE CO, MOAB IRR DISTRIC	7/1/00	4.000	6,000	6,000
SPOKANE CO, MOAB IRR DISTRIC	7/1/01	4.000	6,500	6,443
SPOKANE CO, MOAB IRR DISTRIC	7/1/02	4.000	6,500	6,381
SPOKANE CO, MOAB IRR DISTRIC	7/1/03	4.000	7,000	6,806
SPOKANE CO, MOAB IRR DISTRIC	7/1/04	4.000	7,500	7,210
SPOKANE CO, MOAB IRR DISTRIC	7/1/05	4.000	7,500	7,119
SPOKANE CO, MOAB IRR DISTRIC	7/1/06	4.000	8,000	7,492
SPOKANE CO, MOAB IRR DISTRIC	7/1/07	4.000	8,000	6,583
SPOKANE CO, MOAB IRR DISTRIC	7/1/08	4.000	8,500	7,723
SPOKANE CO, MOAB IRR DISTRIC	1/1/09	4.000	7,000	5,497
SPOKANE CO, MOAB IRR DISTRIC	7/1/99	4.000	400	400
SPOKANE CO, MOAB IRR DISTRIC	7/1/00	4.000	600	574
SPOKANE CO, MOAB IRR DISTRIC	7/1/01	4.000	600	560
SPOKANE CO, MOAB IRR DISTRIC	7/1/02	4.000	600	547
SPOKANE CO, MOAB IRR DISTRIC	7/1/03	4.000	600	533
SPOKANE CO, MOAB IRR DISTRIC	7/1/07	4.000	600	554
SPOKANE CO, MOAB IRR DISTRIC	7/1/05	4.000	600	516
SPOKANE CO, MOAB IRR DISTRIC	7/1/06	4.000	600	503
SPOKANE CO, MOAB IRR DISTRIC	7/1/04	4.000	600	521
SPOKANE CO, MOAB IRR DISTRIC	7/1/08	4.000	600	482
SPOKANE CO, MOAB IRR DISTRIC	7/1/09	4.000	600	537
SPOKANE CO, MOAB IRR DISTRIC	7/1/99	4.000	6,000	6,000
SPOKANE CO, MOAB IRR DISTRIC	7/1/10	4.000	9,000	7,485
<i>TOTAL MUNICIPAL BONDS</i>				<u>\$ 494,871</u>
TOTAL RECLAMATION REVOLVING FUND				<u>\$ 902,464</u>

*BROKER VOLUME &
COMMISSIONS PAID*

- Equity
- Fixed Income

Broker Volume and Equity Commissions Paid

For the Fiscal Year ended June 30, 1999

Broker Name	EQUITY		FIXED INCOME	
	Volume	Commissions	Volume	Long-Term
ABG	460,595	24,735.00		
ABN AMRO BANK NV	580,112	36,375.59		
ABN AMRO SECURITIES	12,378,477	292,288.52	10,812,000.00	
ACCIONES Y VALORES	1,872,000	3,271.43		
ACF INTERNATIONAL	83,800	3,086.14		
ALBERT E. SHARP	623,272	3,068.14		
ALFRED BERG	1,096,258	58,013.56		
ALPHA MANAGEMENT INC	822,100	39,164.05		
AMSTGELD AMSTERDAM	47,600			
APAX PARTNERS	90,000	71.19		
ASIA EQUITY	189,000	1,759.46		
BA SECURITIES INC			48,287,140.00	
BANCAM ROBERTSON STEPHENS	687,781	229.59		
BANK J.VONTOBEL	12,040	38,283.59		
BANK JULIUS BAER	208,828	46,338.94		
BANK OF MONTREAL NEW	167,000			
BANK OF NEW YORK	78,061	14,890.29		
BANK OF NY SECURITIES INC	8,459			
BANKERS TRUST	35,100	489.35		
BANQUE PARIBAS	6,755	699.77		
BARCLAYS CAPITAL INC			11,000,000.00	
BARING SECURITIES	1,457,913	26,745.85		
BEAR, STEARNS & CO.	270,200	12,367.86		
BEAR, STEARNS & CO.			264,613,003.21	
BEESON GREGORY LTD	687,750	5,934.30		
BELL SECURITIES	830,000	11,562.45		
BERENDBERG BANK (GLOBAL)	44,000	1,891.18		
BERNDALE SECURITIES	4,139,300	66,364.14		
BHF SECURITIES	852,764,173	1,088,698.83	1,453,000,000.00	
BNP CAPITAL MARKETS	105,594	22,206.42		
BNP SECURITIES	7,510	6,588.35		
BNY ESI + CO - ALPHA DIVISION	13,800	690.00		
BROWN (ALEX) & SONS INC.	1,903,540	43,578.61		
BROWN BROS. HARRIMAN	53,500			
C.S.F.B.	1,485,000	2,779.04		
CANTOR FITZGERALD	28,145	3,170.21		
CAPEL, JAMES	181,700	19,131.03		
CARNEGIE INTL.	1,538,891	37,623.66		
CARROLL MCENTEE & MCG	40,200	865.85		
CAZENOVE	773,967	1,623.44		
CAZENOVE & CO.	2,348,444	17,413.93		
CHARLES STANLEY	15,842			

Broker Volume and Equity Commissions Paid

For the Fiscal Year ended June 30, 1999

Broker Name	EQUITY		FIXED INCOME	
	Volume	Commissions	Long-Term	Short-Term
CHARTERHOUSE TILNEY	1,086,980	3,411.96		
CHASE MANHATTAN BANK	87,000			
CHASE SECURITIES INC			5,170,312.50	
CHEMICAL SECURITIES			5,000,000.00	
CHEUVREUX DE VIRIEUX	1,558,989	74,936.58		
CHEUVREUX DE VIRIEU NORDIC	315,849	13,956.77		
CHICAGO CORP	12,800	920.00		
CIBC OPPENHEIMER	504,926	27,820.02	5,440,000.00	
CITIBANK INVESTOR SERVICES			21,454,000.00	
CL GLAZER INC.	225,018	4,495.04		
COUNTY NATWEST SEC CORP USA	343,500	12,098.49		
CREDIT COMMERCIAL DE FRANCE	51,100	12,821.50		
CREDIT LYONNAIS	9,933,193	103,253.37		
CREDIT SUISSE FIRST BOSTON	15,750,868	112,069.00		
CS FIRST BOSTON	7,342,715	39,126.85	201,697,265.49	
D E SHAW SECURITIES	87,640,000		374,000,000.00	
DAI ICHI SECURITIES	349,000	730.06		
DAIWA BANK LTD.	96,000	797.45		
DAIWA SEC. AMERICA	11,624,331	107,268.48	3,000,000.00	
DAVY STOCKBROKERS	3,218,300	29,019.72		
DEALWISE	476,653	3,853.92		
DEN DANSKE	41,500	910.92		
DEN NORSKE BANK	277,795	7,255.08		
DEUTSCHE BANK	385,447,825	158,240.00	1,067,000,000.00	
DONALDSON LUFKIN JENRETTE	111,000	118.40	132,645,107.00	
DRESDNER KLEINWORT BENSON	819,117	41,113.75		
ENSKILDA SECURITIES	967,059	49,735.98		
EUROPE COMPANY	13,510	2,874.66		
EXANE	287,603	42,534.34		
FHLMC			69,558,000.00	
FIRST BOSTON CORPORATION	5,152,310	35,798.75	27,413,300.00	
FIRST PACIFIC STOCKBROKERS	619,928	1,069.12		
FITZGERALD & COMPANY INC	49,200	2,460.00		
FLEMING (ROBERT) INC	3,435	861.36		
FLEMING SECURITIES LTD.	51,800	2,645.97		
FONDSFINANS	150,400	5,148.75		
FOX PITT KELTON INC	18,500	6,159.65		
FRANCE COMPENSATION BOURSE	445,143	4,375.99		
FRANKLIN SECURITIES CORP	38,361			
FURMAN SELZ MAGERDIETZ	202,000	3,831.81		
GOLDMAN SACHS & COMPANY	164,734,993	105,011.21	709,811,000.00	
GUDME RAASCHOU	21,800	6,033.79		

Broker Volume and Equity Commissions Paid

For the Fiscal Year ended June 30, 1999

Broker Name	EQUITY		FIXED INCOME	
	Volume	Commissions	Long-Term	Short-Term
H. LUNDENFOND KOMMISSION AG	288,000	5,555.06		
HAGSTROMER & QVIBERG	126,500	4,778.53		
HAMBRECHT & QUIST	180,000			
HARGREAVE HALE	89,190	1,427.04		
HENDERSON CROSTHWAITE LTD.	410,500	4,982.85		
HERZOG HEINE & CO	101,039			
HSBC JAMES CAPEL	86,700	1,770.05		
HSBC SECURITIES	16,032,123	177,688.08	152,100,000.00	
HYPO VEREINSBANK	14,100	2,403.76		
IBJ INTL LTD	200,000	6,256.40		
IBJ SCHRODER BK & TRUST CO	17,500			
INDOSUEZ WI CARR SECURITIES LTD	85,000	1,013.92		
ING BANK BRAZIL	20,000	1,761.96		
ING SECURITIES	2,415,602	23,629.96		
INSTINET	688,500	4,880.50		
INVESTMENT PLACEMENT GROUP	7,637	160.87		
INVESTMENT TECHNOLOGY CORP	643,034	7,160.28		
INVESTMENT TECHNOLOGY GRP INC	2,799,685	12,876.77		
ITG - POSIT	4,105,948	16,948.94		
J CHEUVREAUX	346,133	27,593.73		
J P MORGAN & CO	942,040	23,693.44		
J P MORGAN SECURITIES INC	1,962,000	83,807.09	511,049,000.00	
J&E DAVY	1,830,000	2,190.89		
J.B. WERE & SON	13,808,245	86,535.37		
JAMES CAPEL & CO	2,173,262	44,415.96		
JARDINE FLEMING	859,700	14,223.50		
JEFFERIES & CO	5,000			
JPP EURO SECURITIES	16,000	4,461.88		
JULIUS BAER	2,290	852.85		
KAY HIAN + CO	587,000	17,069.77		
KEIJSER EFFECTEN	92,300			
KELBOURNE SECURITIES	1,152,400	19,516.93		
KEMPEN & CO	1,190,800	93,098.69		
KLEINWORT BENSON INC	6,680,424	91,272.84		
LAMPEBANK LUXEMBOURG	840			
LEHMAN BROTHERS INC	1,742,238	33,487.01	637,425,136.26	
LEWCO SECURITIES INC.	421,643	1,030.00		
LLOYDS BANK	330,000			
LOMBARD ODIER + CIE	650	2,916.42		
LORRAINE L BLAIR INC	424,000	12,007.28		
LTCB WARGURG SECURITIES	1,000	47.63		
MM WARBURG	314,822	24,987.54		

Broker Volume and Equity Commissions Paid

For the Fiscal Year ended June 30, 1999

Broker Name	EQUITY		FIXED INCOME	
	Volume	Commissions	Long-Term	Short-Term
MACQUARIE EQUITIES LTD	126,061	4,514.80		
MALONEY & CO	1,800	2,458.00		
MERITA BANK LTD	3,900	499.85		
MERRILL LYNCH	76,633,488	732,649.22	514,962,851.30	
MIDAS CORP	17,000	3,036.06		
MORGAN GRENFELL	739,080	2,719.67		
MORGAN GUARANTY TRUST CO.	24,000			
MORGAN STANLEY & CO	43,999,139	128,657.30	517,074,000.00	
MSPRO-MORGAN STANLEY & CO.	3,684	783.78		
NAT CITY DILLON & WALDRON	200,000	6,744.45		
NATWEST SECURITIES CORP			10,866,000.00	
NCB STOCKBROKERS	331,700	7,660.22		
NIKKO SALOMON SMITH BARNEY	4,000			
NIKKO SECURITIES	124,000			
NOMURA SECURITIES LONDON	2,100	150.47		
NOMURA SECURITIES INTL	1,790,300	10,937.50		
NORDIC PARTNERS INC	117,000	3,085.73		
NORTHERN TRUST CO	2,172,000			
ODDO	13,000	6,239.47		
OPPENHEIM COLOGNE	730	659.20		
OPPENHEIMER & CO	1,800	659.97		
ORD MINNET LTD	1,594,440	27,133.69		
PAINÉ WEBBER			904,494,797.83	
PANMURE GORDON	818,176	2,886.23		
PARIBAS CO	4,774,091	21,832.46		
PATRICE WARGNY	44,900	5,582.35		
PEEL HUNT & CO LTD	1,125,500	12,682.56		
PERSHING & CO	153,676			
PICTET & CIE	6,014	10,776.14		
PRUDENTIAL				
PRUDENTIAL SECURITIES INC			351,131,479.76	
PRYCE SECURITIES INC	23,651,500	2,914.77		
RW DAY & CO	28,422			
RBC DOMINION SECURITIES	869,100	32,464.98		
ROBERT FLEMING	2,084,150	30,931.66		
ROYAL TRUST BANK	75,000			
ROYAL TRUST CO OF CANADA	1,727,026			
SAL OPPENHEIM ET CIE	8,080	14,226.38		
SALOMON BROTHERS	13,820,227	118,044.06	795,221,483.72	
SALOMON, SMITH BARNEY	3,177,249	71,752.96	395,165,000.00	
SANFORD BERNSTEIN	4,390	4,943.33		
SBC WARBURG	9,173,256	75,896.32	249,060,000.00	

Broker Volume and Equity Commissions Paid

For the Fiscal Year ended June 30, 1999

Broker Name	EQUITY		FIXED INCOME	
	Volume	Commissions	Long-Term	Short-Term
SCHRODER SECURITIES	3,492,262	79,211.02		
SCHRODER WERTHEIM AND CO	64,000	10,487.95		
SG COWEN SECURITIES CORP	56,100		2,520,000.00	
SKANDIABANKEN FONDKOMM	10,000	826.94		
SKANDINAVISKA ENSKILDA	358,235	29,990.61		
SOCIETE GENERAL	35,990	5,256.91		
SPEAR,LEEDS & KELLOGG	84,700			
SSANGYONG INVESTMENTS	49,400	13,811.27		
STATE STREET GLOBAL ADVISORS	36,363,146			
STATE STREET BANK & TRUST	202,547,740	19,812.00	28,571,592.54	26,362,191,382.99
STATE STREET BROKERAGE SVS	10,034,098	264,760.46		
STIRLING HENDRY & CO	250,000	1,264.79		
SVENSKA HANDELSBANKEN	10,200	1,134.36		
SWISS BANK	39,717,008	65,160.02		
SWISS BANK CORP.	42,900			
TAIWAN BANK	225,600	1,013.35		
TELESIS SECURITIES	285,750	24,803.58		
THEODORE GILLISON	323,697	19,165.47		
TIR SECURITIES	1,494,000	20,252.75		
TONGE CO.			4,654,130.09	
TROSTER SINGER	76,500			
UBS SECURITIES	1,138,448	74,457.89		
UBS-DB CORPORATION	132,411	20,384.78		
US TRUST STRATEGIC TRADING	48,069			
VAERDEPAPPERS ADMINISTRATI	43,716	3,796.99		
VAN DOORN TRUST	367,890	18,287.69		
VPA STOCKHOLM	533,325	32,181.81		
VPA VARDEPAPPERS ADMINISTRATI	45,598	3,979.85		
W.I. CARR	1,579,000	12,380.09		
WARBURG DILLON READ LLC	2,724,522	32,620.87	140,500,000.00	
WARBURG SECURITIES	5,860,437	19,331.37		
WERTHEIM SCHRODER & CO INC	37,000	984.13		
WEST LB SECURITIES	4,700	70.33		
WI CARR	11,500	35.07		
WISE SPEKE LTD	600,000	3,649.34		
WOOD & CO.	1,570,600	25,169.62		
WOOD GUNDY & COMPANY	7,800	501.19		
TOTAL	2,151,067,374	5,959,568.37	9,624,696,599.70	26,362,191,382.99



Washington State Investment Board

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